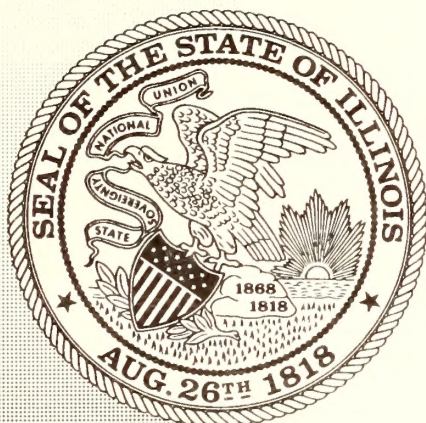
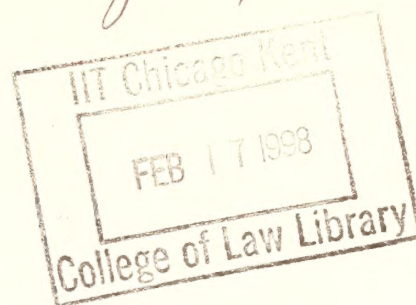


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1998

Illinois Register

Rules of Governmental Agencies

Volume 22, Issue 07—February 13, 1998

Pages 3,218 - 3,659

Index Department
Administrative Code Div.
111 East Monroe Street
Springfield, IL 62756
(217) 782-7017
<http://www.sos.state.il.us>

published by
George H. Ryan
Secretary of State



Printed on recycled paper

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INTRODUCTION

The *Illinois Register* is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category. The Register also contains a Cumulative Index listing alphabetically by agency the Parts (sets of rules) on which rulemaking activity has occurred in the current Register volume year and a Sections Affected Index listing by Title each Section (including supplementary material) of a Part on which rulemaking activity has occurred in the current volume year. Both indices are action coded and are designed to aid the public in monitoring rules.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or peremptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State statute; and activities (meeting agendas, Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State agencies; is also published in the Register.

The Register is a weekly update to the *Illinois Administrative Code* (a compilation of the rules adopted by State agencies). The most recent edition of the Code along with the Register comprise the most current accounting of State agencies' rules.

The Illinois Register is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1 et seq.].

ATTORNEY GENERAL
NOTICE OF PROPOSED AMENDMENTS

- 6) Will this proposed rule replace an emergency rule currently in effect?
No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed rule contain incorporations by reference? Yes
- 9) Are there any other proposed amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rule neither creates nor modifies a State mandate within the meaning of Section 3(b) of the State Mandates Act [30 ILCS 805/3(b)].
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments on this proposed rulemaking may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:
- John Crain, Chief
Budget/Fiscal Bureau
Office of the Attorney General
500 South Second Street
Springfield IL 62706
217/782-9058
- 12) Initial Regulatory Flexibility Analysis:
- A) Types of small businesses, small municipalities and not for profit corporations affected: those providing services to victims of violent crime
- B) Reporting, bookkeeping or other procedures required for compliance: no substantial changes from existing rules
- C) Types of professional skills necessary for compliance: no changes to existing rules
- 13) Regulatory agenda on which this rulemaking was summarized: January 1998
- The full text of the proposed amendments begins on the next page:

ATTORNEY GENERAL
NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Programmatic and Fiscal Requirements for Administering Funds Under the Violent Crime Victims Assistance Act
- 2) Code Citation: 89 Ill. Adm. Code 1100
- 3) Section Numbers: Proposed Actions:
1100.10 Amendment
1100.20 Amendment
1100.30 Amendment
1100.40 Amendment
1100.50 Amendment
1100.60 Amendment
1100.100 Amendment
1100.110 Amendment
1100.120 Amendment
1100.122 New
1100.124 New
1100.130 Amendment
1100.140 Amendment
1100.200 Amendment
1100.210 Amendment
1100.218 New
1100.220 Amendment
1100.230 Amendment
1100.240 Amendment
1100.250 Amendment
1100.260 Amendment
- 4) Statutory Authority: 725 ILCS 240
- 5) Complete Description of the Subjects and Issues Involved: The proposed amendments to the rules are the result of the first comprehensive review since the inception of the Violent Crime Victims Assistance program in 1985. Many changes reflect process issues that we have found to be unnecessary or possible to accomplish in other ways. Numerous language changes and additions have been made to clarify or further explain items. The new Sections address types of victim service programs that have grown in number since the rules were written and now represent a significant portion of applicants and the inclusion of a Section dealing with a fiscal situation that did not exist at the inception of the program. Numerous non-substantive, numerical, typographical, and statutory reference changes have also been made at this time.
- Many items have been changed to eliminate issues or processes that our grantees found difficult to comply with or hard to implement. In the final form the rules now reflect the current standards and processes of the administration and monitoring of the Violent Crime Victims Assistance Program.

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NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES
CHAPTER IX: ATTORNEY GENERAL

PART 1100

PROGRAMMATIC AND FISCAL REQUIREMENTS FOR ADMINISTERING FUNDS
UNDER THE VIOLENT CRIME VICTIMS ASSISTANCE ACT

SUBPART A: GENERAL ADMINISTRATIVE PROVISIONS

Section	Administration of the Grant Program of the Violent Crime Victims Assistance Act - General Provisions
1100.10	Grant Application Requirements <u>Geographic-Population-Served</u>
1100.20	Funding Priorities
1100.30	Programming for Victim Populations
1100.40	Agency-Community Relations
1100.50	General Program and Staffing Requirements
1100.60	

SUBPART B: SPECIFIC PROGRAMS FOR VICTIM POPULATIONS

Section	Victim/Witness Programs
1100.100	Sexual Assault Programs
1100.110	Domestic Violence Programs
1100.120	Child Sexual Assault/Child Abuse Programs
1100.122	Senior Victim Programs
1100.124	Programming for Other Victim Populations
1100.130	Special Project Funding
1100.140	

SUBPART C: FISCAL AND MONITORING REQUIREMENTS

Section	Income Documentation and Accounting Requirements
1100.200	Allowable and Non-allowable Expenses
1100.210	Interest
1100.218	Audits
1100.220	Grant Agreement
1100.230	Lapsed Funds
1100.240	Reporting Forms
1100.250	Appeals Process
1100.260	

AUTHORITY: Implementing and authorized by the Violent Crime Victims Assistance Act [725 ILCS 240].

SOURCE: Emergency rules adopted at 9 Ill. Reg. 5710, effective April 12, 1985, for a maximum of 150 days; adopted at 9 Ill. Reg. 19654, effective December 9, 1985; amended at 11 Ill. Reg. 2705, effective January 27, 1987; amended at 22 Ill. Reg. _____, effective _____.

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NOTICE OF PROPOSED AMENDMENTS

SUBPART A: GENERAL ADMINISTRATIVE PROVISIONS

Section 1100.10 Administration of the Grant Program of the Violent Crime Victims Assistance Act - General Provisions

- a) The Attorney General ("the Administrator") - The Illinois Attorney General is charged with the responsibility of administering the disbursement of monies collected within the Violent Crime Victims Assistance Act fund, including the responsibility for selecting applicants who are deemed qualified to receive funding for the establishment and operation of Victim and Witness Assistance Centers.
- b) Advisory Commission - Sections Section 4 and 5 of the Violent Crime Victims Assistance Act [725 ILCS 240/4 and 5] create ~~the~~ the ~~the~~ a Violent Crimes Advisory Commission chaired by the Attorney General.

- 1) The Advisory Commission consists of 14 ~~13~~ members: the Attorney General or his or her designee who shall serve as Chairperson; the Director of Children and Family Services; 2 ~~members~~ of the House of Representatives, 1 to be appointed by the Speaker of the House and 1 to be appointed by the Minority Leader of the House; 2 ~~members~~ of the Senate, 1 to be appointed by the President of the Senate and 1 to be appointed by the Minority Leader of the Senate; and the following to be appointed by the Attorney General: 1 police officer, 1 state's attorney from a county in Illinois; 1 health service professional possessing experience and expertise in dealing with victims of violent crime; and 5 ~~members~~ of the public, one of whom shall be a senior citizen age 60 or over, possessing experience and expertise in dealing with the victims of violent crime including experience with victims of domestic and sexual violence.

- 2) All Commission members will be appointed biennially for terms expiring on July 1 of each succeeding odd-numbered year. They shall serve until their respective successors are appointed or until termination of their legislative service, whichever comes first. The members will receive no compensation for their services but will be reimbursed for necessary expenses incurred in the performance of their duties.

- 3) Eight ~~Seven~~ members of the Advisory Commission shall constitute a quorum for the transaction of business. The concurrence of at least 8 ~~7~~ members will be necessary to render a determination, decision, or recommendation by the Advisory Commission.

- 4) The Advisory Commission shall have the following responsibilities relative to victims and witnesses of violent crimes:

- A) To study the operation of all Illinois laws, practices, agencies and organizations which affect victims of crime;
- B) To promote and conduct studies, research, analysis and investigation of matters affecting the interests of crime victims;

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- C) To recommend legislation to develop and improve policies which promote the recognition of the legitimate rights, needs and interests of crime victims;
- D) To serve as a clearinghouse for public information relating to crime victims' problems and programs;
- E) To coordinate, monitor and evaluate the activities of programs operating under the Violent Crime Victims Assistance Act;
- F) To make any necessary outreach efforts to encourage the development and maintenance of services throughout the State, with special attention to the regions and neighborhoods with the greatest need for victim assistance services;
- G) To perform other activities, in cooperation with the Attorney General, which the Advisory Commission considers useful to the furtherance of the stated legislative intent;
- H) To make an annual report to the General Assembly. [725 ILCS 240/4 and 5]

c) "Eligible" Agency - Any agency which meets the following criteria may apply for funding pursuant to this Part.

1) "Agency" means any Federal, State, local or private entity which provides, operates, or coordinates victim and witness assistance programs. Any public or private non-profit agency may apply to the Attorney General for selection and funding as a Victim and Witness Assistance Center.

2) Private, not-for-profit agencies must have a ruling from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. sec. 501(c)(3)(1985)). ~~Governmental bodies must submit a letter from their applicable fiscal agent verifying their governmental status.~~

d) Conflict of Interest

1) Agencies shall develop rules to govern themselves when conflict of interest situations arise and shall incorporate such rules in their constitution or bylaws, or publish such rules as agency policy.

2) Rules governing conflicts of interest shall prohibit salaried internal staff members of the Administrator's Violent Crime Victims Assistance Program from serving on agency boards. To avoid the appearance of impropriety, Advisory Commission members who are affiliated with agencies seeking grants under this fund or who serve on the Board of Directors of such agencies shall refrain from participation in the Commission's consideration of that agency's grant application. An Advisory Commission member is "affiliated" with an agency when he/she serves on the Board of an agency or works for said agency either in a volunteer or paid capacity.

(Source: Amended at 22 Ill. Reg. _____, effective

ATTORNEY GENERAL

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_____)

Section 1100.20 Grant Application Requirements Geographic-Population-Served

Applicants shall be required, within their grant application, to provide the following information: geographic area to be served; description of existing community needs in relation to victim and witness services and how the program addresses these needs; community support and involvement in relation to victim and witness services in the applicant's geographic area to be served; existing and proposed networking agreements; definition of victim and witness service population; not-for-profit agencies must submit a copy of their the most recent fiscal audit (if an audit has not been performed, the agency must submit a financial statement detailing revenue sources and expenses); and income documentation as required by Section 1100.200(a). Individual grant applications shall be developed and presented in a manner that reflects how the applicant's program functions in relation to the needs and resources within the specific geographic area to be served.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.30 Funding Priorities

a) The Administrator shall consider the following factors in determining which applicants shall receive funding. The Administrator shall compare and contrast the applicants' proposed programs to determine which applicants in the geographic area are best able to achieve the standard, as stated below, of maximizing the number of victims and witnesses served and the types of services available to victims and witnesses:

- 1) Stated goals of applicants as contained in the grant application. Such goals must be consistent with the services enumerated in Section 1100.60(a)(1);
- 2) Commitment and ability to provide the services described in Section 1100.60(a)(1). Evidence of commitment and ability includes: programmatic expertise (i.e., qualifications, training, including in-service training for staff and volunteers, and experience of agency staff and Board members) level of resources available to the program and past grant compliance performance; ~~the failure to provide audit information required by Section 1100.220(c);~~
- 3) Number of people served and needs of the community as contained in the grant application;
- 4) Evidence of community support as contained in the grant application;
- 5) Organizational structure of the agency as contained in the grant application;
- 6) Maximization of volunteers as detailed in the grant application;

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- 7) The extent to which a program implements the recommended services set forth in Sections 1100.100, 1100.110, 1100.120, 1100.122, 1100.124 and 1100.140.
- b) The number of applicants selected for funding will depend upon the amount of money available in the Violent Crime Victims Assistance Fund. The Administrator shall select applicants so as to maximize the number of victims and witnesses served and the types of services available to victims and witnesses statewide, as well as providing opportunities for specialized services and training.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.40 Programming for Victim Populations

a) Network of Services

Agencies may contact the Office of the Attorney General, ~~Crime-Victim Division~~, Violent Crime Victims Assistance Program for technical assistance in relation to developing, ~~and~~ maintaining, or expanding a planned, organized, and coordinated network for the delivery of victim and witness services ~~statewide~~.

1) Network Description

A) Each agency applying for a grant shall provide, within the grant application, a description ~~evidence~~ of functioning work relationships with other service providers within the community. Evidence of such functioning work relationships shall also be included and shall consist of: ~~Such--evidence shall-consist-of-the-applicant's-written-statement-detailing the-working-relationships-and-any-written-agreements-between the-parties--to-these-working-relationships--Such-evidence shall-be-included-in-the-grant-application.~~

i) A sample of the agency's networking agreement and a listing of those providers and agencies with whom current agreements exist ~~Working--agreements--with agencies--or--service-providers;~~

ii) Membership in inter-agency organizations;

iii) Record and data exchange systems; and/or

iv) Designated liaison between agencies.

B) A memorandum of intent describing a proposed network of working relationships may be substituted for new applicants not currently a component of a service network.

2) Exchanges of case record information deemed confidential by the agency releasing the information must include authorization from the client, parent, or guardian.

3) The agency shall demonstrate an ongoing effort toward publicizing its programs, functions, and location (except when the nature of the services requires that the location not be publicized), to all segments of the community.

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b) Development of Services

Technical programmatic assistance shall be provided by the Office of the Attorney General, ~~Crime-Victims-Division~~, Violent Crime Victims Assistance Program to agencies requesting such services.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.50 Agency-Community Relations

a) Grant recipients are encouraged to develop community support and active involvement in the planning, development, operation and/or funding of victim and witness services.

b) Support of victim and witness services in the form of local revenue, voluntary cash contributions, or "in-kind" contributions is indication of local support.

c) Applicants must submit a listing ~~documentation~~ of their funding support from local revenue sources, voluntary fund raising efforts, other ~~State~~ state agencies, federal sources and "in-kind" contributions.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.60 General Program and Staffing Requirements

a) Program Requirements

1) A program shall deliver services to violent crime victims and witnesses within a defined geographic area. All programs shall provide services consistent with the following functions, as set forth in Section 8 of the Violent Crime Victims Assistance Act. In addition, programs may provide the following services for witnesses of crime:

A) Coordinate volunteers to work with criminal justice agencies to provide direct victim services or to establish community support;

B) Provide assistance to victims of violent crime and their families in obtaining assistance through other official or community resources;

C) Provide elderly victims of crime with services appropriate to their special needs;

D) Provide transportation and/or household assistance to those victims participating in the criminal justice process;

E) Provide victims of domestic and sexual violence with services appropriate to their special needs;

F) Provide courthouse reception and guidance, including explanation of unfamiliar procedures and bilingual information;

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- G) *Provide in-person or telephone hot-line assistance to victims;*
- H) *Provide special counseling facilities and rehabilitation services to victims;*
- I) *Provide other services as the Commission shall deem appropriate to further the purposes of the Act ~~this act~~;*
- J) *Provide public education on crime and crime victims;*
- K) *Provide training and sensitization for persons who work with victims of crime. [725 ILCS 240/8]*
- 2) In addition to those policies and procedures outlined in **other parts--of** this Section **section**, each program or agency shall develop written policies and procedures pertaining to client rights. For purposes of this subsection(a)(2), the term "client rights" shall in all cases include, but shall not be limited to, the right to confidentiality, the right of personal privacy, and the right to refuse services.
- 3) Grant recipients shall not deny services to clients on the basis of race, color, sex, age, religion, national origin, ancestry or handicap.
- 4) Client intake policies and procedures shall be set forth in writing and be available for review by the Administrator, when requested, to determine if the agency's programs and services are being provided to the population described in the grant application.
- 5) Grant recipients shall comply with all statutory requirements, as well as applicable rules and regulations as specified in their Grant Agreement.

b) Personnel Requirements

- 1) Grant recipients shall not discriminate in the hiring or promotion of staff on the basis of race, color, national origin, ancestry, sex, age, religion or handicap.
- 2) Personnel policies shall be set forth in writing and be available for review by the Administrator upon request.
- 3) Volunteer training procedures shall be set forth in writing and be available for review by the Administrator upon request.
- 4) A private agency seeking funding under the Violent Crime Victims Assistance Act shall provide for administration and management of its program by an executive appointed by its Board of Directors.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

SUBPART B: SPECIFIC PROGRAMS FOR VICTIM POPULATIONS

Section 1100.100 Victim/Witness Programs

- a) Target Populations
1) Programs shall be designed to aid violent crime victims and

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NOTICE OF PROPOSED AMENDMENTS

witnesses in their contacts with the criminal justice system and with problems resulting from their victimization. Any limitations on the population served will be determined by the geographic boundaries, existing services and location of the program. (For example, a program may serve a single county or multiple counties.)

- 2) The Administrator does not require that victim and witness programs be located in traditional settings (i.e., prosecutor's office or police department).
- b) Services Provided
- The following list of services is intended to serve as an example for the development of a comprehensive victim and witness program. Not all programs will be able to provide all of the listed services, and some programs may be able to provide services in addition to those listed. However, for a victim and witness program to adequately address the needs of crime victims and witnesses, these services form the basis of a comprehensive program. Programs providing services to these target populations will be examined, in the selection process, pursuant to Section 1100.30(a)(7) to determine the extent to which the program conforms to these recommendations. When a program is providing the type of service contained in the recommendation, the manner in which it provides the service will be examined pursuant to the remaining criteria of Section 1100.30.
- 1) A program should provide staff to respond to crime scenes and provide intervention and support for victims and witnesses.
 - 2) Information should be provided to victims and witnesses periodically throughout the case investigation, arrest, charging procedures, and court process.
 - 3) The program should provide for notification of victims and witnesses in advance of court dates to minimize inconvenience and unnecessary court appearances whenever possible. An on-call system for victims and witnesses should be utilized.
 - 4) Emotional support, court advocacy and issue counseling to victims and witnesses should be provided in all cases upon request of the victim or witness.
 - 5) Services offered should be coordinated with other community resources. The establishment of service networks will promote the effectiveness of assistance to crime victims.
 - 6) Procedures should be established to aid violent crime victims in the prompt return of their property.
 - 7) Information should be given to a crime victim to assist in preparing a victim impact statement as provided in Section 6 of the Rights of Crime Victims and Witnesses Act [75 ILCS 120] ~~with~~ of--for--Victims-and-Witnesses-of-Violent-Crime-Act--(1100.30-1100.35)-Supp--ch--36--part--14867.
 - 8) A program should provide employer and school intervention on behalf of crime victims and witnesses in all cases upon request of the victim or witness.

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- 9) Victims and witnesses should be notified of any available financial assistance, including but not limited to the funds available under the Crime Victims Compensation Act [740 ILCS 45].
- 10) Special efforts should be made to reduce the burdens that prevent victims and witnesses from participating in the criminal justice system. Appropriate services may include, but need not be limited to, transportation, language interpretation, secure waiting areas, child care, lodging arrangements for out-of-town witnesses, and parking.
- 11) All programs should provide training to those who have direct contact with the victim in order to increase their sensitivity and their effectiveness in relation to the consequences of victimization and the problems of victim recovery.
- 12) Programs should provide public education and attempt to increase public awareness of the problems of crime victims in order to improve the relationship between victims and the criminal justice system.

c) Personnel

In order to deal with the number of clients served and the type of services offered, it may be appropriate to use paid staff and trained volunteers together so as to maximize services provided.

- 1) Paid staff should be utilized for administrative and fiscal management and for training.
- 2) Volunteers and student interns should be utilized in every aspect of service delivery possible, provided that they receive supervision by a staff member with experience in the type of service the volunteer is providing and ongoing training.

d) Evaluation

In order to determine a program's effectiveness in addressing the needs of victims and witnesses, there should be both internal and external evaluation processes:

- 1) By examining internal statistical data, a program will be better able to identify areas of special need, optimal staffing patterns, and overall effectiveness of services delivered.
- 2) In order to evaluate the performance of services provided, it will be necessary to assess user satisfaction. This may be accomplished by contacting clients, evaluating the communities' perception of services offered, assessing the number of referrals made to the program, and obtaining judicial input.
- 3) Each program will be required to develop its program treatment philosophy, the general objectives which are the end result of the services provided. An evaluation process shall be developed which will be used to determine whether these goals are met.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED AMENDMENTS

Section 110.110 Sexual Assault Programs

- a) Target Population

Programs or agencies should provide direct services to persons victimized by sexual assault. Women and children, being the overwhelming majority of victims, are the primary focus of services. However, male victims, family members and significant others should be offered the same services afforded the victim. (For the purposes of this Section ~~these~~ Rules, "significant others" shall mean those persons who the victim perceives to be close to himself/herself and who have been affected by the crime.)
- b) Services Provided

The following list of services is intended to serve as an example for the development of a comprehensive sexual assault program. Not all programs will be able to provide all of the listed services, and some programs may be able to provide services in addition to those listed. However, in order to adequately address the needs of sexual assault victims, these services form the basis of a comprehensive program.

Programs providing services to these target populations will be examined, in the selection process, pursuant to Section 110.30(a)(7) ~~110.30(f)~~ to determine the extent to which the program conforms to these recommendations. When a program is providing the type of service contained in the recommendation, the manner in which it provides the service will be examined pursuant to the remaining criteria of Section 110.30.

- 1) A 24-hour crisis intervention hotline should be available to victims to provide information, referral, crisis intervention, and support. Direct response is preferred but not required.

2) Advocacy

- A) Advocacy at both a personal and system level should be provided to assist in the proper care and treatment of victims of sexual assault, affected family members and significant others during medical, police or criminal justice proceedings.

- B) In all cases 24-hour medical advocacy should be available.

3) Counseling

- A) In-person, individual counseling for victims, affected family members and significant others should be provided as appropriate.
- B) Counseling, both short- and long-term, should be provided by a trained sexual assault counselor, social worker, psychologist, or psychiatrist.
- C) Therapy for child and adult victims should be provided by trained professionals, such as certified social workers, registered clinical psychologists, and psychiatrists.
- D) Any professional providing counseling or therapy should have specialized training in the dynamics and treatment of sexual assault and sexual abuse.

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- 4) Group counseling and support sessions should be provided on both formal and informal levels. Counseling should be accessible to both recently and previously traumatized victims, affected family members and significant others.
 - 5) Referrals should be provided to appropriate resources within the community to meet the specific needs of the victim, affected family members and significant others.
 - 6) In-service training programs should be provided for professionals, volunteers and other staff who may be working with, or who may come into contact with, victims of sexual assault, affected family members or significant others.
 - 7) Programs should provide employer and school intervention services relating to loss of time from work due to court appearances or to victim recovery.
 - 8) Public education efforts should be an integral part of every program. Information on the personal and societal consequences of sexual assault and abuse, prevention and protective techniques, and program services available for victims, affected family members and significant others should be made available to the general public.
 - 9) Programs should assist victims, whenever possible, in obtaining necessary transportation to secure services and assistance.
 - 10) Programs should attempt, either directly or indirectly, to provide clothing or emergency funds to sexual assault victims to meet immediate needs.
 - 11) Follow-up services should be offered, upon request, to the individual, affected family members and significant others.
 - 12) Victims and witnesses should be notified of any available financial assistance, including but not limited to the funds available under the Crime Victims Compensation Act [740 ILCS 45].
- c) Personnel to Provide Services
- 1) Administrative functions, fiscal management and long-term counseling should be handled by paid professional staff and/or trained personnel.
 - 2) The use of trained volunteers is encouraged in all programs. Provided with training, professional guidance and supervision, and continuing in-service training, volunteer staff members serve to expand service opportunities and encourage community involvement.
- d) Evaluation
- 1) Internal evaluation should be a continuing process in sexual assault programs. The use of client statistical data, in conjunction with fiscal reports and information concerning staffing patterns and service demands, will provide the necessary information for goal setting, program changes and program development. Examples of client statistical data may include but need not be limited to: client intake records, type of service provided, length and frequency of services to individual clients;

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- 2) and age and sex of clients: External evaluation such as client surveys, community surveys, public comments, and community support in forms such as financial assistance and/or publicity should be compiled and used in planning.
- 3) Each program will be required to develop its program treatment philosophy (i.e., the general objectives which are the end result of the services provided). An evaluation process shall be developed which will be used to determine whether these goals are met.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.120 Domestic Violence Programs

- a) Target Population

Programs should provide direct service to victims of domestic violence and their families. Women and their dependent children, being the overwhelming majority of domestic violence victims, are the primary focus of services. Male victims and their families cannot should not be excluded from services.
- b) Services Provided

The following list of services is intended to serve as an example for the development of a comprehensive domestic violence program. Not all programs will be able to provide all of the listed services, and some programs may be able to provide additional services. However, in order to adequately address the needs of domestic violence victims, these services form the basis of a comprehensive program. Programs providing services to these target populations will be examined, in the selection process, pursuant to Section 1100.30(a)(7) ~~1100.30(f)~~ to determine the extent to which the program conforms to these recommendations. When a program is providing the type of service contained in the recommendation, the manner in which it provides the service will be examined pursuant to the remaining criteria of Section 1100.30.

 - 1) A 24-hour crisis intervention hotline should be available to victims to provide information, referral, crisis intervention, and support. Direct response is preferred but not required.
 - 2) In-person issue counseling of victims and affected family members should be provided.
 - 3) Advocacy at both a personal and system level should be provided to facilitate access to, and proper treatment by, other agencies and systems affecting victims of domestic violence, such as law enforcement, the medical community, social services, the courts, and governmental agencies.
 - 4) Safe shelter is a critical need of domestic violence victims and their families and should be provided whenever the agency

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determines it is feasible to do so. Whether directly provided by the program or otherwise made accessible through predetermined channels, shelter is a key element in preventing continued violence and aiding victim recovery.

- 5) Referrals should be provided to the appropriate sources within the community to meet the specific needs of the victim. When possible, programs should provide assistance in the areas of education and job training for victims.
 - 6) Group counseling and support sessions should be provided on both a formal and an informal level, in order to provide an opportunity for victims and their families to share experiences and knowledge as they deal with their current situations. These sessions should be accessible through all programs.
 - 7) Since transportation is frequently a problem for victims in their attempts to secure assistance and progress in their recovery, programs should assist victims in obtaining necessary transportation.
 - 8) Programs should provide employer and school intervention services relating to loss of time from work due to court appearances or to victim recovery.
 - 9) Since education and public awareness of the problem of domestic violence is essential in addressing that problem, all programs should maintain ongoing efforts to inform both victims and the public about the causes and consequences of domestic violence.
 - 10) Programs should make an effort to deal with the trauma experienced by children who live or have lived in a violent domestic environment. Specific children's services must be provided by trained staff. Qualified professionals should be utilized whether through the agency itself or by referral.
 - 11) Follow-up services should be offered to victims and family members in a manner appropriate to their needs and life situation.
 - 12) Because many victims of domestic violence are unable to escape a violent environment due to immediate lack of funds or short-term material needs, programs should attempt to provide assistance in these areas, either directly or indirectly.
 - 13) Domestic violence programs should provide training to others who may come into contact with domestic violence victims and their families.
 - 14) Victims and witnesses should be notified of any available financial assistance, including but not limited to the funds available under the Crime Victims Compensation Act [740 ILCS 45].
- c) Personnel to Provide Services
- 1) Administrative functions, fiscal management, and long-term counseling should be handled by paid professional staff and/or trained personnel.
 - 2) Provided with training, professional supervision, and continuing in-service programs, volunteer staff serve to expand service

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opportunities and to encourage community involvement.

d) Evaluation

- 1) Internal evaluation shall be a continuing process in domestic violence programs. The use of client statistical data, in conjunction with fiscal reports and information concerning staffing patterns and service demands, will provide the necessary information for goal setting, program changes, and program development. Examples of client statistical data may include but need not be limited to client intake records, type of service provided, length and frequency of services to individual clients, and age and sex of clients.
- 2) External evaluation such as client surveys, community surveys, public comments, and community support in forms such as financial assistance and/or publicity should be compiled and used in planning.
- 3) Each program will be required to develop its program treatment philosophy (i.e., the general objectives which are the end result of the services provided). An evaluation process shall be developed which will be used to determine whether these goals are met.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.122 Child Sexual Assault/Child Abuse Programs

a) Target Population

Programs or agencies should provide direct services to child and adolescent victims, as well as non-offending parents and siblings.

b) Services Provided

The following list of services is intended to serve as an example for the development of a comprehensive child sexual assault/child abuse program. Not all programs will be able to provide all of the listed services, and some programs may be able to provide services in addition to those listed. However, in order to adequately address the needs of child sexual assault/child abuse victims, these services form the basis of a comprehensive program. Programs providing services to these target populations will be examined, in the selection process, pursuant to Section 1100.30(a)(7) to determine the extent to which the program conforms to these recommendations. When a program is providing the type of service contained in the recommendation, the manner in which it provides the service will be examined pursuant to the remaining criteria of Section 1100.30.

- 1) Individual, in-office counseling for child/adolescent victims should be provided in a safe, child appropriate setting.
- 2) Individual, in-office counseling should be provided for non-offending parents and foster/custodial parents in order to ensure the most comprehensive victim services for the child.

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- 3) Joint in-office counseling should be provided for parents and children where indicated.
- 4) Crisis phone counseling should be available for adolescent victims and for parents of victims.
- 5) Advocacy services should be provided for parents and children with law enforcement, medical providers, the judiciary, educational institutions, Department of Children and Family Services, public aid and other social service systems.
- 6) Information and referral services should be provided for parents and victims to appropriate resources within the community to meet the specific needs of children and their parents.
- 7) Group counseling, where appropriate, should be provided for both children and parents.
- 8) Public education efforts should be an integral part of every program. Information on the victimization of children and the effects of violence on their lives, as well as program services, should be made available to the general public.
- 9) Professional training on treatment and clinical interventions for community service agencies, hospitals, mental health centers and other social service providers in order to increase their sensitivity and their effectiveness in relation to the consequences of child victimization and recovery.
- 10) Networking with other community agencies and participating in coalitions and community groups providing related services to children will promote the development of a more effective comprehensive response to the needs of victims and their families.
- 11) Victims and witnesses should be notified of any available financial assistance, including but not limited to the funds available under the Crime Victims Compensation Act [740 ILCS 45].

c) Personnel to Provide Services

All staff should participate in a structured training program that addresses the issues of child sexual assault/child abuse. Direct service staff dealing with children shall have, at minimum, an M.A. in social work, counseling or a related field.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 1100.124 Senior Victim Programs

a) Target Population

Programs or agencies should provide services to senior citizens who are victims of crime. Only agencies designated as an Elder Abuse Provider Agency and operating under contract with the Regional Administrative Agency of the Illinois Department on Aging will be able to receive and investigate elder abuse cases.

b) Services Provided

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The following list of services is intended to serve as an example for the development of a comprehensive senior victim program. Not all programs will be able to provide all of the listed services, and some programs may be able to provide services in addition to those listed. Programs providing services to these target populations will be examined, in the selection process, pursuant to Section 1100.30(a)(7) to determine the extent to which the program conforms to these recommendations. When a program is providing the type of service contained in the recommendation, the manner in which it provides the service will be examined pursuant to the remaining criteria of Section 1100.30.

- 1) Programs should provide individual assessments to evaluate victim needs and work with the client to develop a care plan to address those needs.
- 2) Crisis intervention services appropriate to the victim's needs and abilities should be provided.
- 3) Information on the criminal justice system as well as assistance with pursuing legal options should be provided.
- 4) Programs should provide or arrange for suitable transportation to necessary services and resources.
- 5) Individual and family supportive counseling should be provided when needed.
- 6) Programs should educate victims about community services that are available for seniors.
- 7) In-service training programs for professionals, volunteers and other staff who may work with or come in contact with senior victims should be provided in order to sensitize them to the specific needs and problems faced by seniors.
- 8) Programs should participate in multi-disciplinary teams and other community groups and organizations dealing with senior issues.
- 9) Programs should provide assistance in meeting immediate material or safety needs of victims.
- 10) Social service, medical, and legal advocacy should be available when requested.
- 11) Public education should be an integral part of every program. Information on crime prevention, safety issues, and victimization should be made available to the senior population of the community.
- 12) Victims and witnesses should be notified of any available financial assistance, including but not limited to the funds available under the Crime Victims Compensation Act [740 ILCS 45].

c) Personnel to Provide Services

Direct services should be provided by trained staff, with qualifications being set appropriate to the services provided. Volunteer staff can be utilized effectively for certain functions if carried out under professional supervision.

(Source: Added at 22 Ill. Reg. _____, effective _____)

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Section 1100.130 Programming for Other Victim Populations

Program descriptions for other categories of victim populations, such as families of homicide victims, ~~elderly-victims, child-sexual-abuse-victims, disabled victims, and drunk driving victims~~ are not detailed herein. Program ~~development-is-still-in-its-infancy~~. Specific programs tailored to meet these needs will be evaluated on an individual basis using Section 1100.60. ~~are-still largely-undetermined~~. Despite the lack of in-depth program development, these priority populations merit services. Agencies may apply for funding for programs serving other victim populations. The Administrator will give such applicants equal consideration in the selection of agencies to be funded.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.140 Special Project Funding

a) Special Projects

Any public or private non-profit agency that provides or coordinates services to victims and witnesses of crime may apply for special project funding under this Section ~~these-Rules~~, either separately or in addition to funding for programs ~~heretofore~~ described in this Part.

1) Such projects must serve to implement an eligible service as defined in Section 8 of the Violent Crime Victims Assistance Act. For example, the translation of educational materials from English to another language may qualify as a special project insofar as it furthers the goal of providing public education on crime and crime victims.

2) Special projects should be designed to last for a specific period of time ~~not-to-exceed-one-year~~.

3) Projects eligible for funding should have a specific goal. When this goal is accomplished, the special project is completed. A special project may not be an ongoing service. An example of a special project would be the translation of written materials for distribution to a target population.

b) Target Populations

1) Agencies or programs that provide services to violent crime victims or witnesses, including but not limited to the target populations described ~~heretofore~~ in this Part ~~these-Rules~~, may apply for special project funding provided that the proposed projects meet the eligibility criteria set forth in this Section ~~section~~.

2) The population to be served must be defined both in terms of the type of victim and/or witness to be served and the victim issue to be addressed ~~geographic-boundaries-of-the-service-delivery area~~. It is recommended that a needs assessment summary

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accompany such proposals. ~~if-an-applicant-does-not-submit-a needs-assessment-summary-the-applicant-will-be-under-a disadvantage-in-the-selection-process~~.

3) Agencies or programs requesting funds for training must detail the target population, the victim/witness population to be addressed, materials to be produced or utilized, proposed agendas, and anticipated time frames. ~~Services-must-be-designed to-specifically-address-the-needs-of-the-particular-victims-and witnesses-to-be-served~~.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

SUBPART C: FISCAL AND MONITORING REQUIREMENTS

Section 1100.200 Income Documentation and Accounting Requirements

a) Income Documentation

Applicants must include, in the grant application, the amount of actual funding support, ~~both-actual-and-anticipated~~, from all local, State, and federal governmental agencies, and individual and private sources. ~~Anticipated-funding-sources-are-those-which-an agency-may-be-eligible-for-or-which-an-agency-has-applied-for~~.

b) Accounting Requirements

1) Each Grantee shall establish and maintain a modified accrual accounting system in accordance with generally accepted accounting principles of the Financial Accounting Standards Board created by the Financial Accounting Foundation, 401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116 (June 30, 1997, no subsequent dates or editions) ~~American-Institute-of-Certified Public-Accountants-(AICPA)-(June-1984)~~ to include a level of documentation, classification of entries, and audit trails, to meet reporting requirements as prescribed by the Administrator in Section 1100.250(a).

2) All accounting entries must be supported by appropriate source documents, recorded in books of original entry, and posted to a general ledger on a monthly basis.

3) For programs funded by the Administrator, expenses are to be recorded by specific program. All other expenses not funded by the Administrator may be booked in total.

4) All fiscal records must be maintained by the Grantee for five years after the end of each budget period. In instances involving unresolved issues arising from an audit, pending litigation or unresolved tax issues, records related to the unresolved issues must be retained until the issues are resolved.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 1100.210 Allowable and Non-allowable Expenses

The Administrator provides funds for services offered by victim and witness centers as specified in this Section with no intention of being the sole funding source. The Administrator will provide funds to programs for the purpose of funding certain items of expense as detailed herein, but in no instances will the Administrator be the sole funding source for the Grantee.

a) The following expenditures are not allowable expenses from grant funds.

- 1) Research - Research expenses are not allowable expenses from grant funds.
- 2) Compensation for Agency Board Members ~~agency-board-members -~~ Disbursements of funds to an agency board member who does not also perform in a work capacity on behalf of the agency are not allowable expenses. (This does not preclude the provision of transportation and travel expenses related to attending agency board meetings or other official agency-related business.)
- 3) Entertainment - The expense of non-client entertainment is not allowable from grant funds. A client is a person currently receiving direct services from the agency.
- 4) Dues and Costs ~~costs of Attending Professional Meetings attending professional-meetings -~~ Individual or agency association dues or costs of attending professional meetings which do not involve issues directly related to services being provided by the agency are not allowable expenses from grant funds. Attendance by staff at workshops, seminars, etc., as part of in-service training related to services being provided by the agency, is an allowable expense.
- 5) Transportation - The use, or reimbursement for use, of agency- or privately-owned automotive equipment, ~~or-reimbursement-for--user~~ by staff for personal business or non-work-related transportation, is not allowable from grant funds.
- 6) Fund-raising and Promotional Expense ~~promotional--expense -~~ Fund-raising activities are not allowable expenses from grant funds.
- 7) Charity, Grants ~~grants and Professional Discounts professional discounts -~~ Charity, grants and professional discounts are not allowable expense items from grant funds. Charity is defined as the donation of cash or in-kind services to other organizations and individuals external to the program activities approved by the Administrator. Grants are defined as awards to organizations, programs and/or individuals, external to the program activities of the agency. Professional discounts are defined as reductions in fee assessments to individuals or families because of professional status (i.e., doctor, educator, etc.).
- 8) Non-client Meals ~~meals -~~ Non-client meals are not reimbursable expenses from grant funds. Non-client meals are defined as meals

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consumed by parents, guests and staff when their attendance with the client is not programmatically mandatory.

9) Rentals

A) Rental income - Any rental income received by the Grantee must be used to reduce the allowable expense for the item rented.

B) Rental costs of buildings and equipment - Rental costs for buildings and equipment that which do not exceed the local market value for these items and that which are related to program services to clients are allowable expenses.

10) Loan Agreements - The repayment of the principal amount of any loan is not a reimbursable expense. (Example: If a fund recipient borrowed \$10,000.00 for operating expenses, the repayment of the \$10,000.00 principal amount is not a reimbursable expense, but the expenses paid with the principal may be reimbursable.)

11) Interest

A) Interest-Income

~~Interest--income-from-investments-made-from-excess-operating funds-must-be--offset--against--allowable--interest--expense reimbursable-from-award-funds.~~

B) Interest-Expense

~~Interest--expense-paid-on--borrowed-funds-used-to-purchase land--building-and/or-equipment--which--are--required--to provide-direct-services-to-clients--or--are-related-to-client services--is-a-reimbursable-expense-from-award-funds---The items--purchased--must--actually--be--in-use--the-following items-of-interest-expense-are-not--reimbursable--from-award funds:~~

1) Funds-borrowed-for-investment-purposes;

2) Funds-borrowed-to-create-working-capital-in-excess-of two-months-operating-costs;

3) Funds-borrowed-for-the-personal-benefit-of-employees, officers,--boards--of--directors, members-or-owners-of the-fund-recipient;

11.2) Lease Agreements - Lease and lease-purchase agreements for items of equipment and buildings are reimbursable from grant funds on an allocation basis to the funded program. If the agreement covers the servicing of the items and/or supplies used in the operation of the leased item, whether as a separate amount or a combined amount, these expenses are reimbursable on the same basis from grant funds.

12.3) Inventories - The cost of developing supply inventories by an agency is not allowable from grant funds. Inventories are assets rather than expenses of the fiscal year's operations. The grant program is to fund only current expense operations. Usage from inventories is an expense and is reimbursable from grant funds.

13.4) Sales of Goods or Services - Any expense incurred by a Grantee

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for the sale of goods or services is not reimbursable and may be offset against sales revenue.

145) In-kind Contributions - The Administrator recognizes in-kind contributions both as a source of income and as an expense of operations. The cost of in-kind services is not a reimbursable expense.

156) Duplicate Funding - Grant funds shall not be used to reimburse expenses that which must, in accordance with the requirements of other funding sources, be reimbursed by the other funding source.

167) Contingencies - Contributions to a contingency reserve or any similar provision for unforeseen events are not reimbursable.

The following expenditures are allowable expenses from grant funds.

1) Salaries and fringe benefits for employees of the program or support personnel are allowable from grant funds. Examples of employees or support personnel are counselors, advocates, bookkeepers, accountants, etc.

2) Contractual employment for program or support staff is an allowable expense from grant funds.

3) Rental or occupancy costs for space used by the funded program are allowable expenses from grant funds.

4) Purchase of Equipment

A) The purchase of equipment is an allowable expense. Any and all capital equipment purchased with grant funds awarded under the Grant Agreement (including or any amendment, modification, or supplement thereto), shall be used exclusively by the Grantee to perform the services agreed upon in the Grant Agreement or--any-amendment--modification--or-supplement-thereto. If at any time during the term of the Grant Agreement Grantee ceases to use such capital equipment to perform the services agreed upon in the Grant Agreement or--any-amendment--modification--or-supplement-thereto, Grantee shall immediately deliver and turn over to the Administrator such item or items of capital equipment in the same operating order, repair, condition, and appearance as of the date of purchase, excepting only for reasonable wear and tear and depreciation resulting from the authorized use thereof, and in conjunction therewith, Grantee shall execute and deliver any and all documents necessary to convey marketable title, custody, and possession of such capital equipment to the State of Illinois. After the expiration or earlier termination of the Grant Agreement, if at any time during the useful life of any such capital equipment grantee ceases to use such capital equipment for a purpose consistent with the purposes of the Violent Crime Victims Assistance Act, as-mended, Grantee shall immediately deliver and turn over to the Administrator such item or items of capital equipment, and, in conjunction therewith, Grantee shall execute and deliver any and all documents

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necessary to convey marketable title, custody, and possession of such capital equipment to the State of Illinois. This Section shall survive the expiration or earlier termination of the Grant Agreement or--any-amendment--modification--or-supplement-thereto.

B) As used in this Section, capital equipment means items of personal property used for the conduct of the Grantee's business or used to enable the Grantee to perform the services agreed upon in the Grant Agreement, including, but not necessarily limited to, office furniture, typewriters, copy machines, computers, appliances, and printing machines, and-motor-vehicles.

5) Equipment that is rented or leased for program use is an allowable expense from grant funds.

6) General office expenses such as postage, duplicating, office supplies, telephone costs, and maintenance are allowable expenses from grant funds.

7) Advertising costs directly related to program activity are allowable expenses from grant funds.

8) Inservice costs Bues--subscriptions and conference registrations are allowable expenses for training items directly related to program activity.

9) Travel expenses and transportation costs are allowable expenses for victims and witnesses and staff members performing work related functions.

10) Program and training supplies are allowable expenses when directly related to the services funded in the Grant Agreement.

11) Printed materials used for informational purposes or to publicize the program are allowable expenses from grant funds. All printed materials paid for, in whole or part, with funds provided pursuant to the Grant Agreement shall specify within such printed materials that the funds utilized in the printing of such materials were received from the Illinois Attorney General's Violent Crime Victims Assistance Program and that the views and statements expressed therein do not necessarily reflect the views and opinions of the Attorney General of the State of Illinois or the Illinois Violent Crime Victims Assistance Program. [725 ILCS 240].

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.218 Interest

a) Interest income earned from award funds shall be used for expenses that further the provision of direct services to clients, consistent with the provision of service stated in the Grant Agreement. Such expenses shall not exceed \$500 in any fiscal year. Interest income

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earned in excess of \$500 shall be returned to the Administrator with the next quarterly report.

Interest income earned from award funds and expenses paid from such interest income shall be reported on quarterly reports as separate items from other expenses against the grant award.

b) In addition to the allowable expenses listed in Section 1100.210 (b), interest income may be used to pay interest expenses on borrowed funds used to purchase land, buildings, and/or equipment that are required to provide direct services to clients, or are related to client services. The items purchased must actually be in use.

c) In addition to the non-allowable expenses listed in Section 1100.210(a), interest income shall not be allowed to pay for:

- 1) Interest expense on funds borrowed for investment purposes;
- 2) Interest expense on funds borrowed to create working capital in excess of two months operating costs;
- 3) Interest expense on funds borrowed for the personal benefit of employees, officers, boards of directors, members or owners of the fund recipient.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 1100.220 Audits

a) Each Grantee agency shall have an annual audit performed at the close of its fiscal year. This audit is to be performed in accordance with generally accepted auditing standards by an independent certified public accountant registered by the State of Illinois. The resulting audit report is to be prepared in accordance with the Generally Accepted Accounting Principal of the Financial Accounting Standard Board (as incorporated in Section 1100.200(b)(1) of this Part) ~~applicable-American-institute-of-Certified-Public-Accountants--AICPA~~ (1984)--industry--audit--guide. The report shall contain the basic financial statements presenting the financial position of the agency, the results of its operations, and changes in fund balances. The report shall also contain the auditor's opinion regarding the financial statements taken as a whole, or an assertion to the effect that an opinion cannot be expressed. If the auditor expresses a qualified opinion, a disclaimer of opinion, or an adverse opinion, the reason through ~~therefore~~ must be stated.

b) Audit Report
1) Private not-for-profit agencies must submit a copy of their most recently completed audit with the grant application.

2) Governmental entities must have on site a copy of their most recently completed audit for review by the Administrator during site visits.

3) Agencies with a total budget of under \$4,000, or who have been in operation less than a year at the time of filing a grant

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application, may request an exemption to the audit requirement, but must submit a financial statement detailing revenue sources and expenses.

1) ~~the latest audit report is to be filed with the Office of the Attorney General, Crime Victims Division, Violent Crime Victims Assistance Program, within 180 days of the end of the Grantee's fiscal year. One copy is to be filed with the Administrator.~~

2) ~~Request for an Extension of Time to File an Audit Report~~
A) A request for an extension of time to file an audit report must be submitted in writing 60 days prior to the deadline for filing the audit report. This request must be approved or disapproved within 30 days of the deadline for filing the audit report. A request for an exception to these audit requirements must be submitted in writing 60 days prior to the deadline for filing the audit report. This request must be approved or disapproved within 30 days of the deadline for filing the audit report. Requests are to be directed in writing to the Supervisor of the Violent Crime Victims Assistance Program.

B) A request for an extension of time to file an audit report shall be granted whenever the auditor submits a signed statement certifying that the audit cannot be completed in the designated time due to circumstances beyond the control of the auditor and the agency. The auditor's statement must also detail the circumstances which form the basis for this request. No extension shall be for a period greater than 30 days. A request for an exception to the audit requirements shall be granted to all agencies with a total budget under \$2500.

3) Agencies failing to meet the requirements of Section 1100.220(b) will not be considered for funding in the funding cycle immediately following the violation.

c) The following supplementary financial information for each fiscal year must be included in the audit reports:

1) Schedule of income by source

A) This schedule is to be developed using the same source classifications as pre-printed on the agency application Grant Agreement, and required reports.

B) Individual sources of income should not be combined. For example, funds received from several state or federal agencies should not be combined into one classification such as "State of Illinois or Federal Government".

2) Schedule of Operating Expenses by Program--Operating Fund

A) In the Administrator's instructions and forms, the term "operating fund" includes all funds an agency may have in its accounting records except those in a capital fund or contingency reserve.

B) The certified public accountant should record the expenses

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by--program--using--the--operating--expense--categories--as
 pre-printed-on-the-grant-application-and--required--reports--
 the--resulting--statement--is-to-include-funded-and-unfunded
 programs-like---it-is-to-reflect-program-expenses--in
 accordance-with-the-Administrator's-reporting-requirements
 as-contained-in-Section-1100.250(a)-including-an-allocation
 of-administrative-expenses-and-overhead-costs-to-the-various
 programs-not-to-exceed-15%--of-the-agency's-total-budget.
 The-independent-auditor-should-clearly-establish-his-or-her
 position-regarding-the-reliability--of--the-supplementary
 financial-information-presented-in-the-schedules--of--income
 by---source--and--expenses--by--program-operating--fund--in
 addition-to-rendering-an-opinion--concerning--the--financial
 statements-as-a-whole--this-can-be-done-either-by-extending
 the-overall-opinion-on-the-financial-statements-or-by-means
 of-a-supplementary-opinion--if--the--independent-auditor
 determines--that--the--additional--procedures--necessary--to
 permit-a-supplementary-opinion--to-be-rendered--on--the
 schedule-of-operating-expenses-would-materially-increase-the
 audit-time--the-auditor-may-alternatively--state-the-most
 likely-source-of-the-necessary-information-and-the-extent-of
 the-examination-and-responsibility-he-or-she-assumed--in-the
 manner-of-a-disclaimer--to-call-attention-in--the--statement
 to--any--questions--he--or--she-may-have-as-to-the-quantity,
 source-or-destination-of-the-agency's-operating-funds.
 B) The-independent-auditor-should-communicate-in-written-form
 any-material-weakness-in-the-agency's-internal-controls-when
 it--impacts-on-the-Administrator's-funding--Copies-of-these
 communications-are-to-be-forwarded-to-the-Administrator-with
 the-audit-report.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.230 Grant Agreement

- a) Definition
 The Grant Agreement is the finalized obligating instrument between the Administrator and the Grantee. It serves as the formal statement of mutual expectations between the Administrator and the Grantee. The Grant Agreement is a combination service plan and budget. It identifies what services will be provided or procured, to what target population and within what geographical area.
- b) Term
 The term of the agreement is as specified in the Grant Agreement unless sooner terminated as provided in this Section.
- c) Provision of Services
 Those sections of the proposal the Administrator has accepted shall be

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referenced in section 2 of detailed-in-narrative-form-in the Grant Agreement.

- 1) The Grantee shall maintain an accounting system acceptable to the Administrator, as required by Section 1100.200(b), for the implementation and maintenance of the services as provided in the Grant Agreement.
- 2) Financial and activity reports shall be submitted by the Grantee to the Administrator as set forth in Section 1100.250.
- d) Modification of Program
 The Grantee shall not change, modify, revise, alter, amend, or delete any part of the services it has agreed to provide in the Grant Agreement without first obtaining the written consent for such change, modification, revision, alteration, amendment, deletion, or extension from the Administrator in the form of a Supplemental Agreement.
- 1) When the Grantee has demonstrated that in good faith it has attempted to comply with the provisions of the Grant Agreement, but for unforeseen circumstances was not able to comply with the Grantee Agreement, a Supplemental Agreement would be considered. An example will would be: funding provided for a new staff position, but the Grantee was not able to locate a qualified candidate to fill the position and has demonstrated an intent to hire a new staff person.
- 2) A) Procedures for For a Supplemental Agreement
 A) The Grantee must notify the Administrator and identify the variance as set forth in Section 1100.230(h).
 B) The Grantee shall submit a written explanation for the variance with a solution and a new proposed budget for expending funds with a request for a Supplemental Agreement.
 C) The request and explanation is review by the Administrator and approved if the new request is consistent with the original intent of the agency's application and services to victims and witnesses, and is an allowable expense under Section 1100.210(b).
 D) Upon approval of the request by the Administrator, the administrator will prepare a Supplemental Agreement is prepared, following the Grant Agreement format, to be and signed by both parties.
- e) Execution Responsibilities
 The Administrator will be responsible for preparing the Grant Agreement and any Supplemental Agreements. The Grantee must sign all copies and return them to the Administrator Supervisor. The Administrator Supervisor will then secure the appropriate Administrators signature and return a copy to the Grantee.
- f) Procedures for Disbursement of Funds
 The Administrator will disburse funds to funded programs in accordance with the fully executed Grant Agreement.
- 1) The Grantee's responsibility is to sign and return the Grant Agreement.

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- 2) The Administrator's responsibility is to forward grant funds in a timely manner upon receipt of the signed Grant Agreement.

g) Principles

All funded programs are responsible for the delivery or procurement of services and the accounting of expenditures specified in the Grant Agreement. Any variance between the Grant Agreement and the program's actual performance will be reviewed by the Administrator's staff.

h) Procedures for Review

- 1) During the grant year, events may take place that result in variances between the Grant Agreement and the program's actual performance. These variances in performance may be either temporary or permanent in nature.

A) A temporary variance is a difference between the Grant Agreement and actual performance that is caused by a short-lived event or circumstance that will not adversely affect a program's ability to perform as outlined in the Grant Agreement except in the short term. Best estimates of the program's future activity would indicate the appropriateness of staying with the current Grant Agreement rather than changing it to meet the unusual and temporary circumstances. In other words, the causes of temporary variances are, by their nature, not sufficient reason to change the approved Grant Agreement. Examples would be: the replacement or illness of a staff member thereby leaving a position vacant for a short period of time or the change in the location of service delivery.

B) A permanent variance is a difference between the Grant Agreement and actual performance that is caused by an event or circumstances that significantly alter expectations about the program's future activity in terms of the program's ability to perform as outlined in the approved Grant Agreement. The causes of a permanent variance are such that a new Supplemental Agreement ~~Grant Agreement~~ will have to be negotiated between the program and the Administrator. Examples would be: the abolition of a grant funded staff position or the permanent loss of a facility such as a shelter.

- 2) It is the responsibility of the Administrator to exercise a review function for all Grantees, assuring accountability for the services and costs established in the Grant Agreement. Review of variances will be a part of this function.

i) Identification and Documentation

Identification of a variance is primarily the responsibility of the Grantee.

- 1) Upon identifying a permanent variance the Grantee should immediately notify the Grant Monitor and forward any required documentation necessary to negotiate a Supplemental Agreement.

- 2) Identification of a temporary variance should be noted in the

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appropriate section of the required reporting forms.

j) Grant Cancellation

The sanctions outlined herein for cancellation of the Grant Agreement will be undertaken only after the Administrator has made reasonable efforts to reach an acceptable resolution with the Grantee.

- 1) The following are bases for cancellation of a Grant Agreement.

A) Failure to File Required Reporting Forms

This occurs when a Grantee fails to submit the required reporting forms to the Attorney General's Office within the designated time limits and no written exception or extension has been made by the Administrator.

- i) An exception or extension must be requested prior to the end of the reporting period. Extensions will be granted for no more than 15 additional days for reasons related to the Grantee's ability to complete the form on time, not for reasons related to the completion of services.

ii) Exceptions will be granted in instances where the provision of service has been completed and reported in an earlier reporting period. An example would be a funding request for printed materials completed and reported on in the first 3 months.

B) Non-compliance with the Charitable Trust Act and the Solicitation Act

All applicant agencies not exempt under the Charitable Trust Act [760 ILCS 55] ~~§§ 1-19857-CH-147-par-51-et seq-7~~ and the Solicitation for Charity Act [225 ILCS 460] ~~"AN Act to regulate solicitation and collection of funds for charitable purposes, providing for violations thereof, and making an appropriation therefor" (111 Rev. Stat. 19857-CH-237-par-5101-et-seq-7)~~ must demonstrate that they are in compliance with the requirements of those Acts. Compliance shall be verified by having the applicant submit their Charitable Trust number in the application, which will then be forwarded to the Attorney General's Charitable Trust Bureau for verification of their current status. Such proof ~~shall consist of their registration number and a letter from the Charitable Trusts Division confirming they are current in the filing of their financial reports with the Charitable Trusts Division of the Illinois Attorney General's Office.~~

C) Failure to Repay Lapsed Funds

Non-compliance with any agreement for the repayment of lapsed funds may ~~shall~~ be cause for cancellation.

D) Non-compliance with the With-the Service Provisions

Non-compliance with the service provisions specified in the Grant Agreement shall be cause for cancellation pursuant to this subsection (j) ~~Section 1100-230477.~~

- 2) Non-compliance with the Grant Agreement does not always result in

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the initiation of cancellation procedures.

- A) Non-compliance is not always intentional on the part of a Grantee as described in subsection ~~Section-1100-230(d)(1)~~ of this Section. In every instance, efforts are made to secure compliance before cancellation proceedings are initiated.
- B) Willful non-compliance by a Grantee will result in cancellation. An example would be: the misappropriation of grant funds (i.e., monies are granted to provide salary for identified staff for program services; funds are instead utilized for personal expenses of non-allowable expenses).
- C) If all the Administrator's efforts to obtain the Grantee's compliance are met with negative results, then cancellation proceedings are initiated.
- 3) Upon decision to cancel an existing Grant Agreement the Administrator will send written notification to the Grantee ~~thirty~~ 30+ days prior to the cancellation date. The conditions under which the grant is canceled shall be detailed, as well as the procedure for the repayment of unexpended funds or monies due the Administrator.
- 4) Failure to comply with the procedures prescribed for repayment of funds due to cancellation of the Grant Agreement will result in the implementation of the provisions of the Illinois Grant Funds Recovery Act [30 ILCS 705] ~~(111-Rev-Stat-1985-ch-127--par-2301-et-seq-)~~.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.240 Lapsed Funds

- a) Grant funds not expended as outlined in the effective Grant Agreement are considered lapsed.
- b) Procedures Governing Lapsed Funds
 - 1) If the programmatic expenses of a Grantee are less than the approved allocation level, the Grantee is to indicate, in writing, one of the following options:
 - A) Request for Reallocation of Lapsed Funds
 - i) Lapsed amounts of less than \$1,000 ~~or 10%~~ of the grant funds shall be reported to the Administrator. The Grantee shall certify in writing that these funds have been reallocated and will be expended in accordance with the Grant Agreement, i.e., reallocated to existing line items in the budget in accordance with the provisions of section 2 of the Grant Agreement. Such changes shall be noted in the reporting forms.
 - ii) Lapsed amounts ~~funds~~ of less than \$1,000 ~~or 10%~~ of the grant funds which a Grantee wishes to reallocate to an

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expense that which creates a new line item in the approved budget must be reported to the Administrator along with a written request for reallocation. The approved budget refers to the two page "Violent Crime Victims Assistance Act Program Project Budget" and the narrative detail of expenditures in section 2 of the Grant Agreement. This document is signed and approved in Section 1100.230 ~~Sections-1100-200-and-1100-210~~.

- iii) Lapsed amounts of \$1,000 or more ~~which are in excess of 10% of the grant funds~~ shall be reported to the Administrator. The Grantee may ~~shall~~ submit a written explanation of the underexpenses and a detailed request for reallocation of the funds.
- iv) The Administrator may ~~shall~~ grant a reallocation of lapsed funds when the Grantee demonstrates, pursuant to Subsections (b)(1)(A)(ii) and (iii) of this Section ~~Section-1100-240(b)(1)(A)(ii)~~, that the funds will be used for allowable expenses. If the Administrator approves the reallocation, it shall so inform the Grantee in writing and shall work with the Grantee to accommodate the reallocation of funds in the form of a Supplemental Agreement in circumstances where appropriate.
- v) If the Administrator does not approve a ~~the~~ reallocation, it shall inform the Grantee of this decision within 30 days after ~~of~~ receipt of the request.

B) Agreement to Lapse

If no explanation for unexpended funds or justification for a reallocation of funds is received by the Administrator, the funds will automatically lapse.

- 2) When a lapse occurs without a valid request for reallocation of the funds being approved by the Administrator, the Administrator and Grantee shall negotiate a proper mechanism for the return of the funds consistent with the Illinois Grant Funds Recovery Act [30 ILCS 705] ~~(111-Rev-Stat-1985-ch-127-par-2301-et-seq-)~~. The lapsed funds, however, must be returned to the Administrator within 45 days following the end of the Grant Agreement [see 30 ILCS 705/5].

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.250 Reporting Forms

- a) Reporting forms provide the following expenditure and client service records: detailed statement of costs, fiscal summary, statistics on

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the number of clients served and services provided, variances, staffing information, and requested revisions and adjustments. All reporting forms must be received by the designated Grant Monitor no later than 15 days following the end of the reporting period.

b) Required Reports

1) Grantee shall submit to the Administrator financial and activity reports every three months for the previous three-month period. Such reports shall be on forms specified by the Administrator. All reporting forms must be received by the Administrator no later than ~~fifteen~~ 15 days following the end of the reporting period. Such reports shall detail clients served, services provided, expenditures, and revisions, if any, of time-tables and activities to reflect the current program status and future activity.

2) Any agency that submits quarterly reports that are more than 3 days late on two occasions during the grant year will be penalized by a 2% reduction in funding during the next grant period.

3) Extensions of up to 2 weeks may be granted by the grant monitors. Written confirmation of an extension from the grant monitor shall be attached to the reporting form when submitted.

2) ~~The final report shall also include in addition to the completed form as provided by the Administrator, a completed program evaluation as described in the grant application, and an annual agency report if available.~~

c) The Grantee shall also make available all financial records, client contact records, and case records in connection with funded programs. In making case records available the Grantee shall insure the confidentiality of each client pursuant to the Grantee's confidentiality standards.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 1100.260 Appeals Process

a) A Grantee may appeal an action taken by the Administrator that pertains to Section Sections 1100.220, 1100.230, 1100.240 or 1100.250. A Grantee shall appeal the action in writing by filing with the Administrator within 14 days from the day the notice of the action is mailed to the Grantee. The appeal shall be sent to the Office of the Attorney General, Grants Coordinator ~~Supervisor of the Violent-Crime Victims-Assistance-Program~~, Crime Victims Department ~~Division~~, 100 174 West Randolph, 11th floor, Chicago, Illinois 60601. The appeal shall be signed by the Grantee's authorized official. This written appeal shall contain specific reasons stating why the action taken by the Administrator should be modified and shall state the action requested of the Appeals Committee. If no timely appeal is filed on an action,

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such action shall be deemed to be the final action of the Administrator.

b) When an appeal is timely filed, the Grants Coordinator ~~Supervisor~~ shall arrange for the Appeals Committee to hear and to decide the appeal within 30 days after of the receipt of the written appeal. The Appeals Committee shall consist of the Grants Coordinator ~~Supervisor~~, the Chief of the Budget and Fiscal Bureau ~~the Chief of the Crime Victims-Division~~, two ~~three~~ Grant Monitors, two ~~three~~ members of the Violent Crime Victims Advisory Commission, and counsel representing the Attorney General's Office. The Grants Coordinator ~~Chief of the Crime-Victims-Division~~ shall serve as the presiding officer of the Appeals Committee. The party shall have the right to appear before the committee and to be represented at the hearing by counsel. The party appealing shall be notified of the hearing date at least 7 days prior to the hearing.

c) At the hearing, the Appeals Committee shall consider the written answer to the action submitted pursuant to subsection (b) ~~Section 1100-260(b)~~, any written response to that appeal by staff, and any testimony given by the Grantee or staff to questions posed by the Appeals Committee members. The original decision would have to be found contrary to the evidence originally presented by the Grantee, and a simple majority vote by the Appeals Committee would be desirable. The basis for determination by the Appeals Committee would be: whether the request is realistic and obtainable; availability of funds; quality of program services; previous compliance with the Administrator's requirements; and a majority vote of the Appeals Committee. The Appeals Committee shall render a decision on the appeal before adjourning the hearing. A written statement of the decision will be forwarded to the Grantee within 10 working days ~~after~~ of the hearing.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Charter Schools
- 2) Code Citation: 23 Ill. Adm. Code 650
- 3) Section Numbers: Proposed Action:
 650.30 Amendment
 650.40 Amendment
 650.60 Amendment
- 4) Statutory Authority: 105 ILCS 5/Art. 27A (see P.A. 90-548, effective January 1, 1998).

5) A Complete Description of the Subjects and Issues Involved:

Enactment of P.A. 90-548 on December 4 has established a new role for the State Board of Education with regard to charter schools. The State Board has been authorized to consider appeals of local boards' denials and to determine whether a particular school should be chartered, based on whether it would be in the best interests of the students it is designed to serve. If the State Board determines that it wishes to override the local board's denial, it assumes the role of chartering entity and all the functions that would otherwise be performed by the local board, including providing funds to the school.

These changes require amendments to Part 650 of our rules, particularly so that the agency will be in a position to give appropriate consideration to the appeals it will receive. Specifically:

Section 650.30 is being amended to secure the resolution of denial adopted by a local board, thereby ensuring that the State Board will be informed as to the board's rationale for rejecting a proposal. This is based on our experience with supporting documentation in appeals received to date.

Section 650.40 is being changed to remove the limitation on the scope of the agency's review, as well as to provide the time that will be needed for in-depth consideration of a proposal's merits.

Section 650.60 also needs to conform to the broader role of the agency under the new law and provide explicitly for direct access to such additional information as may be needed.

- 6) Will this proposed rule replace an emergency rule currently in effect?
 Yes
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? The rules do not contain an incorporation by reference under Section 5-75 of

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the Illinois Administrative Procedure Act.

- 9) Are there any other proposed amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking will not create or enlarge a State mandate.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Written comments may be submitted within 45 days of the publication of this notice to:

Sally Vogl
 Agency Rules Coordinator
 Illinois State Board of Education
 100 North First Street
 Springfield, IL 62777
 (217) 782-0541

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

- 13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: The relevant legislation was just enacted on December 4, 1997, and took effect on January 1, 1998.

The full text of the proposed amendments begins on the next page:

STATE BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER I: STATE BOARD OF EDUCATION

SUBCHAPTER O: MISCELLANEOUS

PART 650

CHARTER SCHOOLS

Section	Definitions
650.10	Purpose
650.20	Submission to State Board of Education
650.30	Review by State Board
650.40	Revision and Renewal of Charters
650.50	Appeal of Local School Board Reports
650.60	

AUTHORITY: Implementing and authorized by Article 27A of the School Code [105 ILCS 5/Art. 27A] (see P.A. 90-548, effective January 1, 1998).

SOURCE: Emergency rules adopted at 20 Ill. Reg. 6329, effective April 23, 1996, for a maximum of 150 days; emergency amendment at 20 Ill. Reg. 8677, effective June 25, 1996, for a maximum of 150 days; new Part adopted at 20 Ill. Reg. 15284, effective November 15, 1996; emergency amendment at 22 Ill. Reg. 1479, effective January 1, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. _____, effective _____.

Section 650.30 Submission to State Board of Education

Local board(s) of education shall report to the State Board of Education as to the action by the local board(s) of education with regard to an application for, revision of, renewal of, or revocation of a charter. A copy of the report shall be provided to the applicant at the same time that the report is submitted to the State Board of Education. The report shall include a notice to the applicant informing the applicant that a denial, revocation or non-renewal of a charter school application or revision may be appealed to the State Board of Education within 14 days after the date that the report is submitted to the State Board of Education. Reports shall be submitted as follows:

- a) Reports of approved applications, revisions, or renewals shall be accompanied by a form to be supplied by the State Board. The form shall include a certification as to compliance with all of the procedural requirements and application components set forth in Article 27A of the School Code. The form and the proposed contractual agreement shall be signed by the president(s) of the local school board(s) and the appropriate officers of the charter school governing body. Section 27A-6 of the School Code provides that a proposed contract between the governing body of a proposed charter school and the local school board must be submitted to and certified by the State

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Board before it can have effect.

- b) Reports of denials, revocations or non-renewals shall consist of the charter proposal or current charter contract as voted upon by the local board(s) of education and a copy of each board's resolution setting forth the board's action and its reasons for the action ~~any~~ ~~rationale cited by the board for its action--ferg--text--of--motion--text--of--minutes--written--statement--of--the-board--board-letter-of-denial--and-a-record-of-the-vote-of-the-board(s)--on-the-proposal.~~ A certification of publication and a copy of the printed notice of the public meeting for each local board of education involved, as required by Section 27A-8(d) of the School Code, must be submitted with all reports.
- d) Reports shall be submitted via certified mail, return receipt requested, to:
Illinois State Board of Education
Charter Schools
100 North First Street P-0--Box-6404
Springfield, Illinois 62777 62708
- e) No electronic or facsimile transmissions will be accepted. Reports must be postmarked no later than 7 calendar days following the date of public meeting of the local board(s) of education at which the vote occurred and must include proof of service of the report upon the applicant. In cases of separate public meetings by each school board involved, the 7 days shall begin when the last school board votes on the matter.
- f) Section 27A-4(b) of the School Code limits the number of charter schools and requires the State Board of Education to process applications in the order received. In order to ensure fair and prompt consideration by the State Board of Education, applications for approved proposals addressed other than as specified in subsection (d) of this Section or postmarked later than 7 calendar days following the date of approval by all school boards involved shall not be processed.

(Source: Amended at 22 Ill. Reg. _____, effective _____.)

Section 650.40 Review by State Board

- a) Pursuant to Section 27A-6(d) of the School Code, the State Board shall assign a number to each submission or resubmission in chronological order of its receipt within each of the three geographic regions delineated in Section 27A-4 of the School Code. The State Board shall notify local boards of education when the maximum numbers of charter schools authorized for any region have been reached, and no further applications from such region(s) shall be processed until such time as the number of charter schools operating in a region falls below the maximum authorized. Notification shall be provided in a manner designed to reach each school district superintendent in the region.

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- b) The State Board shall review each report of an approved application, revision or renewal to determine whether the statutory requirements have been followed and the proposed contractual agreement is complete and compliant with the provisions of Article 27A of the School Code. Proposed contractual agreements which are complete and compliant with the provisions of Article 27A of the School Code shall be certified by the State Superintendent until the maximum authorized numbers have been reached. A certified copy of the charter shall be sent to the local school board(s) and the charter school governing body. No charter school may be authorized to open prior to the fall of 1996 (Section 27A-4(i) of the School Code).
- c) If a report is incomplete or a proposed contractual agreement fails to comply with any applicable law, the State Board shall so notify the submitting school board(s) and the applicant, identifying the area(s) of deficiency that must be remedied before the proposal can be considered for certification.
- d) The State Board shall review a report of a denied, revoked or non-renewed charter ~~application--or--revision~~ if an appeal is filed under Section 650.60 of this Part by the applicant. ~~The review--shall be--limited--to--ascertaining--compliance--with--the--notice--and--hearing requirements--of--Article--27A--and--to--determining--that--the--rationale--of--the--school--board(s)--does--not--contain--any--errors--as--to--the--applicable legal--requirements.~~
- e) The State Superintendent shall notify the local school board(s) and the applicant as to a determination made with respect to a report of an approved application, renewal or revision by certified mail within 14 days after receipt of the report (Section 27A-8(f) of the School Code). If an appeal of a denied, revoked or non-renewed charter ~~application--or--revision~~ is submitted pursuant to Section 650.60 of this Part, the State Superintendent shall notify the local school board(s) and the charter applicant by certified mail as to the determination made with respect to the review within 60 ~~14~~ days after receipt of the appeal, provided that this response time shall not commence until the State Board receives any additional information from the parties deemed necessary pursuant to Section 650.60 of this Part.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 650.60 Appeal of Local School Board Reports

- a) An applicant for a charter or a charter holder may appeal to the State Board of Education a local school board report which denies, revokes or refuses to renew a charter ~~an application--only--if--the--local--school board(s)--did--not--comply--with--the--notice--and--hearing--requirements--of--Article--27A--of--the--School--Code--or--if--the--local--school--board(s)--made errors--in--applying--the--legal--requirements--of--Article--27A--or--both.~~

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The appeal must state the reasons why the appeal should be granted and must be postmarked no later than 14 calendar days following the date of the report's submission to the State Board of Education. The appeal must be submitted in writing by certified mail, return receipt requested, to the following address, with a copy sent by certified mail to the school board:

Illinois State Board of Education
Charter Schools
100 North First Street P.O.--Box-6494
Springfield, Illinois 62777 62708

No electronic or facsimile transmissions will be accepted. Appeals addressed other than as specified above or postmarked later than 14 calendar days following the date of submission of the report shall not be processed.

- b) The parties shall submit to the State Board such additional information as the State Board determines is necessary to decide the appeal.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

DEPARTMENT OF FINANCIAL INSTITUTIONS

NOTICE OF PROPOSED AMENDMENT

1) Heading of the Part: Consumer Installment Loan Act

2) Code Citation: 38 Ill. Adm. Code 110

3) Section Numbers: Proposed Action:

110.1	Amendment
110.10	Amendment
110.15	Added
110.20	Amendment
110.30	Amendment
110.40	Amendment
110.50	Amendment
110.60	Amendment
110.65	Added
110.70	Amendment
110.80	Amendment
110.90	Amendment
110.100	Amendment
110.110	Amendment
110.120	Amendment
110.130	Amendment
110.140	Amendment
110.150	Amendment
110.160	Amendment
110.170	Amendment
110.180	Amendment
110.190	Amendment
110.200	Amendment
110.210	Amendment
110.215	Added
110.220	Amendment
110.225	Added
110.230	Amendment
110.235	Added
110.240	Amendment
110.250	Added
110.260	Added
110.TABLE A	Repealed
110.TABLE B	Repealed

4) Statutory Authority: 205 ILCS 670/221

5) A Complete Description of the Subjects and Issues Involved: These rules are being updated to reflect changes in the Consumer Installment Loan Act. The rule amends definitions used within this Part, requires licensees to maintain a permanent file for loans made, prescribes license application information required of licensees, and revises policies regarding pledges of an obligor's note. It bars any licensee from declining new or existing

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insurance coverage for an obligor that has been approved by the Department of Insurance. Licensees are permitted to assess obligors a document preparation fee of no more than \$25. The rule permits obligors to obtain an account statement twice annually. Limited purpose branch office application procedures are created.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
Yes

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking neither creates nor expands a State mandate.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Information and questions regarding this rule shall be directed to:

M. Rose Kelly
Chief Counsel
100 W. Randolph, Suite 15-700
Chicago IL 60601
312/814-2008

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: Consumer Installment Loan Act licensees.

B) Reporting, bookkeeping or other procedures required for compliance: No additional requirement are created.

C) Types of professional skills necessary for compliance: No additional skills are necessary.

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendment begins on the next page:

DEPARTMENT OF FINANCIAL INSTITUTIONS

NOTICE OF PROPOSED AMENDMENT

TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL INSTITUTIONSPART 110
CONSUMER INSTALLMENT LOAN ACT

Section

110.1	Definitions
110.10	Minimum Requirements for Office Records
110.15	Application for License
110.20	Loan Register
110.30	Individual Account Records
110.40	File of Original Papers
110.50	Cash Book
110.60	Alphabetical Record of Borrowers-Endorsers, Co-Makers, Obligors
110.65	Permanent File
110.70	Payments
110.80	Simple Interest Loans
110.90	Cancellation and Return of Documents
110.100	Finance Charges - Rebates and Delinquency Charges
110.110	Hypothecation of Obligor's Borrower's Notes
110.120	Legal Forms
110.130	Judgments
110.140	Sale of Security
110.150	Trouble File
110.160	Lien Charges
110.170	Insurance
110.180	Office and Office Hours
110.190	Advertising
110.200	Other Business
110.210	Examination Communications and Remittances
110.215	Document Preparation Fee
110.220	Credit Practices
110.225	Verification of Amount Owed
110.230	General
110.235	Relocation
110.240	Hearing Procedures
110.250	Limited Purpose Branch
110.260	Off-Site Records
TABLE A	Illinois Rule of 78 Fraction for Rebating Charges According to Number of Months Originally Contracted For and Number of Months Prepaid in Full for Contracts of 2 to 120 Months (Repealed)
TABLE B	Rule of 78 Percentage Rebate Table (Repealed)

AUTHORITY: Implementing and authorized by Section 22 of the Consumer Installment Loan Act [205 ILCS 670/22].

SOURCE: Filed and effective June 19, 1970; amended at 3 Ill. Reg. 24, p. 16,

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effective June 15, 1979; emergency amendment at 4 Ill. Reg. 5, p. 372, effective January 16, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 36, p. 138, effective September 22, 1980; amended at 5 Ill. Reg. 1352, effective February 3, 1981; codified at 7 Ill. Reg. 11721; amended at 9 Ill. Reg. 1343, effective January 17, 1985; amended at 11 Ill. Reg. 2749, effective January 28, 1987; emergency amendment at 11 Ill. Reg. 14141, effective August 7, 1987, for a maximum of 150 days; amended at 12 Ill. Reg. 10456, effective June 7, 1988; amended at 19 Ill. Reg. 44, effective December 22, 1994; amended at 20 Ill. Reg. 5799, effective April 8, 1996; emergency amendment at 22 Ill. Reg. 1485, effective January 2, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. _____, effective _____.

Section 110.1 Definitions

Administrative-Procedure-Act-means ~~iii-Rev-Stat--1991-ch-1277-par-1001-i-et-seq~~

Obligor Borrower means the person to whom the proceeds of a loan are delivered or on whose behalf the proceeds of a loan are expended.

Business-loan-means-a-loan-to-a-business-as-defined-in-iii-Rev-Stat-1985-ch-17-par-6404

Uniform Commercial Code means 810 ILCS 5 iii-Rev-Stat-1995-ch-26.

Act means the Consumer Installment Loan Act [205 ILCS 670] means ~~iii-Rev-Stat-1985-ch-17-pars-5401-et-seq~~.

Corporate-loan-means-a-loan-to-a-corporation-as-defined-in-iii-Rev-Stat-1985-ch-17-par-6404

Date of the loan means the date on which the loan agreement is signed or accepted by the lender.

Department means the Department of Financial Institutions.

Director means the Director of the Department of Financial Institutions.

Federal-Consumer-Credit-Protection-Act-means 15-USE-1601

Generally accepted accounting procedures means those adopted supported by the American Institute of Certified Public Accountants and Federal Accounting Standards Board.

Hypothecate means to pledge a security instrument without transfer of title.

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~~installment-sales-contract-means-one-made-under-the-provisions-of--the
Retail-Installment-Sales-Act-(111-Rev-Stat-1985-Ch-121-1/2-par-
501)-or--the--Motor--Vehicle--Retail-Installment-Sales-Act-(111-Rev-
Stat-1985-Ch-121-1/2-par-561)-
Instrument-means-a--formal--legal--document--such--as--a--note--or--deed,
contract-or-security-assignment.~~

Insurance Code Act means 215 ILCS 5 111-Rev-Stat-1985-Ch-73.

~~Interest-Act-means-111-Rev-Stat-1985-Ch-17-par-6401.~~

~~Motor-Vehicle-Retail-Installment-Sales-Act-means-111-Rev-Stat-1985-
Ch-12-1/2-par-561.~~

Recording fee is a fee paid to a government agency to record or release a security instrument.

~~Regulation-8:--Truth-in-Banking-Act-means-12-CFR-226-effective-7/1/69-~~

~~Retail-Installment-Sales-Act-means-111-Rev-Stat-1985-Ch-121-1/2-
par-501.~~

~~Rule-of-8--70--means--that-proportion-of-the-original-charge-for-a-loan
which-the-sum-of-the-monthly-balances-scheduled-to--follow--prepayment
in-full-bears-to-the-sum-of-all-the-monthly-balances.~~

Sales Finance Agency Act means 205 ILCS 660 111-Rev-Stat-1985-Ch-
177-par-5201.

~~Truth-in-Banking-means-Federal-Regulation--8,--12--CFR--226--effective
7/1/69.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.10 Minimum Requirements for Office Records

- a) Every licensee shall keep the following records at the licensed location or their equivalent:
- 1) Loan register.
 - 2) Individual account records including transaction histories of obligors ~~borrowers~~.
 - 3) File of all original papers.
 - 4) Cash book.
 - 5) Alphabetical record of all ~~borrowers--endorsers~~ co-makers, obligors or sureties.
 - 6) Permanent file.

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b) Records for loans made under the ~~Consumer-Installment-Loan Act~~ shall be kept separate or readily identifiable from other types of business conducted in the office of such licensee.

c) ~~Such records must be kept at the licensed office for the record of business done under the Consumer-Installment-Loan Act.~~ Electronic data processing, combination forms and special office systems may be used if in accordance with standard accounting procedures and contain the information enumerated above in ~~Section 110.10(a).~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.15 Application for License

An application for a license must be in writing, under oath, and in the form the Director prescribes. The application shall contain the following:

- a) The name of the applicant and the address of the proposed place of business;
- b) The form of business organization of the applicant, including:
 - 1) a copy of its filed articles of incorporation;
 - 2) a copy of the filed articles of organization, if the applicant is a limited liability company;
 - 3) a certified statement of the ownership of the partnership and any subsequent changes thereto, if the applicant is a partnership.
- c) The name, business and home address, credit report and a chronological summary of the business experience, material litigation history, and felony convictions over the preceding 10 years of:
 - 1) the proprietor, if the applicant is an individual;
 - 2) every partner, if the applicant is a partnership;
 - 3) President, Secretary, Executive and Senior Vice Presidents, Directors and individuals owning more than 25% of the corporate stock, if the applicant is a corporation; and
 - 4) the manager, if the applicant is a limited liability company.
- d) A licensee shall not submit the information required in subsections (b) and (c) of this Section if the licensee has previously submitted the information to the Department in a previous license application within the last 5 years and there have been no material changes, unless requested to by the Director.
- e) The most current year end financial statements, prepared in accordance with generally accepted accounting principles and a balance sheet and statement of operations as of the most recent quarterly report before the date of the application.
- f) A list of all states in which the applicant is licensed as a lender or sales finance agency and whether the license(s) of the applicant has ever been withdrawn, refused, cancelled or suspended in any other state, with full details.
- f) Bond as required by the Act.
- g) Appointment of Attorney-in-Fact.

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- h) Business Plan, detailing the nature, amount and term of loans to be made and types of security which will be taken.
- i) Photographs of both the inside and outside of the proposed site.
- j) Details of any other businesses which will be conducted within the licensed premises.
- k) Information Form.
- l) The applicable fees as required by the Act.
- m) Any additional information the Director considers necessary.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 110.20 Loan Register

- a) The loan register shall contain the original entry and be a permanent record, and shall show for every loan the account number, date of loan, amount of loan, name of obligor borrower, nature of security by types, amount of fees, the cost and type of any insurance, the amount of the note, including precomputed interest, the simple interest rate contracted for or amount of precomputed interest.
- b) The loan register shall be kept numerically by number of loans in order made, and shall have headings for each of the items required.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.30 Individual Account Records

- a) An individual account record shall be kept for each obligor borrower. Such account record shall show the name and address of the obligor borrower, names-of-endorsers, co-makers, obligors or sureties, loan number, date of loan, the number of payments, the amount of payments and payment due dates terms-of-repayment, nature of security by type, type and cost of insurance and name of bank if the note is hypothecated. The record for a simple interest loan shall show the original principal amount of the loan, rates of interest and finance charge where applicable. The record for a precomputed loan shall show the original principal amount of the loan, excluding the precomputed interest and charges, the amount of the finance charge and the face amount of the note including the finance charge. The record shall also show the amount of official fees received and paid out for filing, recording or releasing a financing statement or security agreement, including the fee required by the Secretary of State for perfecting a lien on a motor vehicle title.
- b) The record for a simple interest loan shall show the amount and date of each payment of principal and interest, the balance due on principal, and the date to which interest is paid. If the amount paid is insufficient to meet the entire amount of interest due, the record

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shall be clearly marked to indicate the extent of credit given for such interest payment and the date to which interest is paid or the amount of interest deficient to the date that the payment was received.

- c) The account record for a precomputed loan shall show the amount and date of each payment applied to the loan, the unpaid balance of the loan after applying such payment, and the date and amount of any additional interest collected for delinquency, default or deferment. If deferment interest is collected in whole or in part, the record shall indicate the deferred due date of the final installment and any uncollected portion of the deferment interest. The account record shall also show the original principal of the loan excluding the charge, the amount of the charge, the face amount of the note including the charge, and any additional charge made for extra days in the first installment period.
- d) When a loan is prepaid in full, the account record shall show the date of prepayment, the amount paid to discharge the loan, the amount of the rebate on the finance charge, if any, and any deduction from the rebate for previously earned but uncollected delinquency, default or deferment charges.
- e) When a loan is prepaid in full, the amount of any unearned insurance premium for every policy shall be recorded on the account record.
- f) If payment is made in any other way than in the ordinary course of business, it shall be so designated. (For ~~for~~ example, payment by a third party, insurance claim or sale of security.)
- g) If loan receivables are sold to another person ~~authorized by the Director as meeting the criteria enumerated in paragraph 5494 of the Act~~, the individual account record for such receivables shall show the name of the authorized person to whom sold and the date of such sale.
- h) No erasures whatsoever shall ~~may~~ be made in the payment and charge sections of any account record. In case of error, a line shall be drawn in ink through the improper entry and the correct entry made on the following line. The entries on the record shall correspond with the receipts given the obligor borrower.
- i) Every licensee shall preserve the records of all loans, including the account record, for at least two years after making the final entry for such loan.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.40 File of Original Papers

- a) Files
- 1) A separate file ~~(such as an envelope or folder)~~ shall be maintained for each obligor borrower and shall contain the note, security agreement, or financing statement, wage assignment, acknowledged copy of the disclosure statement of loan, insurance

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certificate, a separately signed statement indicating the borrower has received a copy of right to rescind (if required), or waiver, if any, and all other evidence of indebtedness or security pertaining to the loan, except when said documents are in the custody of a court or of an agent for collection, or are hypothecated as herein provided. Evidence of disclosure must be retained for two years from the date of the loan. Where prior written approval has been obtained from the Department, a licensee may maintain these files in any medium or format which accurately reproduces original documents or papers.

- 2) When an obligor a-borrower is also a co-maker or a-guarantor obligor or endorser on another loan, the file of such obligor borrower shall be cross-referenced to the other, unless such cross-reference is included on the alphabetical record required by Section 110.60. Other papers relating to the borrower or his loan may be kept in the same or a separate file in the same office.

- b) All legal instruments bearing evidence of indebtedness taken in connection with a loan and executed by an obligor a-borrower including the disclosure statement of loan shall must bear the loan number.
- c) No licensees shall take any instruments in which the blanks are not filled in completely before the proceeds of the loan are delivered. All spaces or sections not used in the preparation of legal documents shall be ruled out or designated as "none", or "n/a", and any amendments to the contract shall be signed by the obligor and creditor.
- d) The name and address of the licensee making the loan shall must appear on any note, wage assignment, security agreement or other legal instrument taken from an obligor a-borrower, before the proceeds of the loan are delivered.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.50 Cash Book

- a) All receipts and disbursements of any amount whatsoever shall be entered on the day they occur in the cash book or equivalent record. Separate headings shall be provided for payments on principal and interest and for fees collected from obligors borrowers for filing, recording and releasing security agreements, financing statement for perfecting a lien on a motor vehicle, or for amounts received for any type of insurance coverage. In the case of precomputed loans, payments applied to the note may be shown as a total sum and need not be itemized between principal and precomputed charges. Additional charges collected for delinquency shall be itemized or otherwise separately indicated.

- b) The cash book shall show all fees paid by the licensee for filing,

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recording and releasing security agreements, financing statements or for perfecting a lien on a motor vehicle, and the actual date of payment.

- c) The cash book shall be a permanent record of all details of income and disbursements including all entries to individual accounts of borrowers.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.60 Alphabetical Record of Borrowers, Endorsers, Co-Makers, Obligors or Guarantors Sureties

The alphabetical record shall show the account number and the name of each borrower-endorser, co-maker, obligor or guarantor surety who is currently indebted to the licensee, together with sufficient information to locate the account record.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.65 Permanent File

Each licensee must maintain a permanent file which includes the following:

- a) A copy of all correspondence sent to or received from the Department within the past 24 months.
- b) A copy of the last two examination exception reports and any related correspondence.
- c) A copy of the Act and a copy of this Part.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 110.70 Payments

- a) All payments shall be credited on the account record as of the date received. Interest charges, as provided by the consumer-installment loan Act, shall be collected only from the date the proceeds of the loan are delivered to or expended on behalf of the obligor borrower even though the note shall bear a prior date.
- b) When the finance charge is precomputed, the receipt for each payment shall show the date of payment, the amount, if any, applied to the balance face-amount of the loan and the amount, if any, applied to any other charges permissible under the Act. delinquency, default, or defeasement-charge. Payments shall be applied in the order in which they become due.
- c) Monthly installment-payment--dates--may--be--omitted--to--accommodate borrowers--with--seasonal--income--

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c) ~~For the receipt for each payment on a~~ simple interest accounts, the licensee shall give the obligor on an annual basis a statement which ~~account~~ shall show the date of payments ~~payment~~, amount applied to interest, amount applied to insurance, amount applied to principal, the balance due on the account, and any amount of interest earned but not collected.

d) ~~When a payment is made in cash, the licensee shall give a receipt to the obligor. A no-part-of-the-payment-is-applied-to-interest delinquency, default or deferment charges; a receipt is not required for payment by check or money order unless requested by the obligor.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.80 Simple Interest Loans

a) No payment shall be accepted on the principal balance unless interest is paid to date or is agreed to ~~waived~~ by the licensee, except a payment may be credited to principal where the amount thereof is not sufficient to pay the interest due for one day.

b) A calendar month is the period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date in the following month, to the last day of the following month.

c) Interest shall be computed on the basis of one month's interest for each calendar month and one-thirtieth of a month's interest for each day in a fraction of a month or, alternatively, 1/365th of the agreed annual rate for each day actually elapsed.

d) When a simple interest loan contract is renewed or refinanced, accrued, but uncollected, interest may be included in the principal amount of the new loan contract.

e) A non-standard payment schedule with irregular times or amounts and varying interest rates is permissible in accordance with Section 15(e)(3) of the Act providing there is proper disclosure of an independently verifiable index beyond the control of the licensee.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.90 Cancellation and Return of Documents

The contract and promissory note ~~Att-original-legal-documents~~ executed by the obligor ~~borrower~~ bearing evidence of indebtedness shall be cancelled and returned to the obligor ~~borrower~~ promptly following the renewal or paid in full date. Where prior written approval has been obtained from the Department and original documents are not available, a licensee shall substitute copies reproduced from any medium or format which accurately reproduces the original documents. On renewal, continuing security agreements may be retained until

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subsequent loans are paid in full. If an executed copy of a legal document is retained following payment in full or renewal, ~~to-comply-with-act-in-binding~~ it must be clearly marked "PAID", "CANCELLED" or "RENEWED", indicating the date of payment or renewal. Copies clearly identified with the legend "COPY NOT NEGOTIABLE", or similar language, may be used in lieu of this requirement.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.100 Finance Charges - Rebates and Delinquency Charges

a) Computation of Finance Charge

1) Charges may be computed on the original face amount of the loan contract for the full term of the loan contract at the agreed rate.

2) The maximum charge so computed (or any lesser amount) may be added to the original principal amount of the loan or may be deducted from the face amount of the contract when the loan is made.

b) A standard payment schedule is one under which a loan is repayable in substantially equal and consecutive monthly installments of principal and charge(s) combined, and the first installment is due one month from the date of the note, except as provided below.

1) The loan contract shall be drawn to reflect a standard payment schedule with payments to be made on a calendar month basis, except that the first installment period may exceed one month by as much as 15 days. If a charge is made for extra days in the first installment period it ~~may~~ **must** be added to the first installment payment. The interest for such period may be increased by 1/30th of the agreed monthly rate for each extra day. A charge for extra days in the first installment period does not change the amount of rebate required for prepayment in full on or after the first installment date.

2) If the first installment period is less than one month the loan charge shall be reduced by 1/30th of the agreed monthly rate for each day that the first installment period is less than one month, and the amount of the first installment shall be reduced by the same amount. Such adjustment in the first installment period does not change the amount of rebate required for prepayment in full on or after the first installment date.

c) The obligor ~~borrower~~ shall have the right to prepay a loan in full on any installment due date. When prepayment in full occurs on a date other than a scheduled installment due date, the rebate may be computed as of the next following scheduled installment due date.

d) When the contract is renewed or refinanced before maturity, or judgment is obtained before maturity, the same rebate is required as for prepayment in full.

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- e) The Section 15 of the Act specifies the Rule of 78ths shall be the method of as the method of rebating precomputed contracts charges. The rebate shall be that proportion of the original charge for the loan which the sum of the monthly balances scheduled to follow such prepayment in full bears to the sum of all the monthly balances, both sums to be determined according to the originally contracted payment schedule. The required rebate is a fraction (or percentage) of the finance original loan charge. The fraction differs for each number of months that the contract is prepaid in full. Table A shows required rebate fractions for contracts of 3 to 120 months for each number of months prepaid. Table B shows the equivalent percentages for eleven maturities from 12 to 120 months. In effect, the Rule of 78 allocates an equal fraction (percentage or unit) of the charge to each installment for each month that each installment is scheduled to be outstanding, and the required rebate is one such fraction (percentage or unit) of such charge for each month that each installment is prepaid as the result of prepayment in full.
- f) When a precomputed interest loan contract is renewed or refinanced, accrued but uncollected interest may be included in the principal amount of the new loan contract.

9) Delinquency or Default Charges

- 1) All delinquency charges (Default Charges) shall comply with the requirements and provisions of the applicable statute under which the contract was made. If an installment is not paid in full within 10 days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding 5% of the amount of the installment.
- 2) Delinquency charges may be assessed and collected and added to the balance of the note, but interest shall not be collected on said charge.
- 3) Earned, but uncollected, delinquency charges shall be recorded on the account record on the date the delinquent payment is received, if the licensee intends to collect the charges at a later date.
- h) If two or more installments are delinquent on any installment date the contract balance may be reduced as of such date by the rebate which would be required for prepayment in full on such date. Thereafter, the agreed contractual rate may be charged on the actual unpaid balances of the loan contract until the contract is fully paid. Interest so received shall be in lieu of the rebated charges and any delinquency charge which would otherwise accrue after the date of which the rebate was made.
- i) If when a contract is prepaid in full, a statement or receipt shall must be given to the obligor borrower, showing the date of prepayment, the amount of the rebate, if any, and the amount paid to discharge the loan.
- j) Fifteen (15) days after the expiration date of the loan contract interest may be charged at the contractually agreed rate on any

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- balance remaining unpaid. At the time of final payment the licensee shall notify the obligor borrower of the balance unpaid and that if such balance is paid within 15 days no interest charge will be made.
- j) If a borrower moves out of the State of Illinois and the loan is transferred to another branch or affiliate of the licensee, the contract balance may be reduced by the rebate which would be required for prepayment in full on such transfer date and thereafter the monthly rate contractually agreed upon may be charged on the actual unpaid balances of the loan contract. The receiving branch or affiliate of the licensee must be advised of the charges permitted on a transferred loan and the account records shall be so identified.
- k) Deferment
- 1) The maximum amount which may be charged for a one month's deferment is equal to the difference between the rebate that would be required for prepayment in full as of the scheduled due date of the deferred installment and the rebate which would be required for prepayment in full as of one month prior to said date.
- 2) The rebate for prepayment in full after deferment interest has been charged shall must be larger than the rebate which otherwise would be required. It is sufficient to calculate rebate upon the standard precomputed interest for the number of months of the contract from the installment date following the date of prepayment to the deferred due date of the final installment. Any uncollected portion of such deferment interest may be deducted from the standard rate so computed. When the rebate is computed by referring to the number of elapsed months of the contract instead of the number of prepaid months for each month that deferment interest has been charged, a proportionate charge may be made for periods of more or less than one month.
- 3) If a rebate is required one month or more before the deferred due date of the first deferred installment, the licensee, at its option, may make a separate rebate of deferment interest for each unexpired month of the deferment period and then rebate the standard precomputed finance charge interest for the number of months to the original final installment date, plus one month for each month that deferment is retained.
- l) The statute does not require any rebate for partial payments which do not prepay the contract in full. However, there may be occasions when a rebate is advisable due to a substantial partial prepayment.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.110 Hypothecation of Obligor's Borrower's Notes

- a) A licensee may pledge, hypothecate or sell a note made under the

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provisions of the Act without the prior approval of the Director provided that said transaction is with another licensee under the Act, Sales Finance Agency Act, a bank, savings bank, savings and loan association or credit union created under the laws of this State or the United States and that the following conditions are satisfied: Borrower's trust and security therefor may be hypothecated with any bank or trust company or its correspondent or subsidiary doing business in Illinois, provided the pledge agrees, in writing, in form satisfactory to the Department, that the Director or his representatives may at any time examine the pledge instruments and such pledgee shall also agree, in writing, to provide suitable working quarters in Illinois for the examiner of the Department to make such examination.

1) the licensee notifies the Department in writing within ten days of the transaction indicating the name of the purchaser/pledgee, location where the related notes can be examined and that the licensee shall be responsible for all examination costs.

2) the licensee will provide the Department with an executed agreement entered into by the licensee and the purchaser/pledgee authorizing the Director to conduct an examination of these notes.

b) All pledges, hypothecations or sales to entities other than those listed in subsection (a) of this Section require the prior approval of the Director.

c) Each instrument hypothecated must bear the following endorsement:

"This instrument is non-negotiable in form but may be pledged as collateral security. If so pledged, any payment made to the payee, either of principal or of interest, upon the debt evidenced by this obligation, shall be considered and construed as a payment on this instrument, the same as though it were still in the possession and under the control of the payee named herein; and the pledgee holding this instrument as collateral security hereby makes said payee its agent to accept and receive payments hereon, either of principal or of interest."

d) The licensee shall keep in the licensed office a record or list of all account records of all loans purchased or sold to another affiliated or non-affiliated licensee. The account shall be maintained in such file until examined and released by the examiner. This record or list shall indicate the date of transaction, account name and number, and the names of the other buyer/seller in the transaction.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.120 Legal Forms

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a) Submission to the Department

1) All forms of notes, security agreements or assignments of wages or other forms shall be used in connection with the making of loans shall be unless such forms are desired to be used shall have first been submitted to the Department for filing. New licensees shall present to the Department for filing all forms contemplated to be used in the making of loans prior to the conduct of the licensed business in the licensed location; provided, however, where the licensee or affiliate is engaged in the same business and licensed by this Department to engage in such business in another location, the use of forms in the new location identical to those being used in the existing location shall not require filing. Notice of intent to use identical forms (change of name excepted) should be provided the Department by the licensee licensees.

2) Should the licensee at any time following submission of forms for filing, modify or change or entangle the forms previously submitted, the forms as modified shall be changed or entangled must be submitted to the Department for filing.

3) No implication of approval or disapproval by the Department of any form filed with it is to result from objections received from the Department or silence of the Department relative thereto.

b) Standard forms approved by the Department shall be used in the following cases:

- 1) Application for original license.
- 2) Application for annual renewal of license.
- 3) Change of location.
- 4) Annual Report.
- 5) Appointment of attorney-in-fact for service of process.
- 6) Bond.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.130 Judgments

a) When a note has been reduced to judgment, the face of the account record shall show the amount and date of the judgment. When judgment is taken on a precomputed loan before maturity, the same rebate of interest is required that would be required for prepayment in full on the date of the entry of judgment.

b) All payments received shall be applied to the judgment balance and be properly identified. The rate of interest charged on a judgment balance must comply with current applicable statutes. No higher rate of interest or charge shall be assessed or accepted.

c) The files of the licensee shall contain statements signed by the attorney of record, judge or magistrate or clerk of the court setting forth in the order issued the following items:

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- 1) Date of judgment.
- 2) Copy of the judgment Name-of-licensee.
- 3) Judgment-debtor.
- 3)4) Date suit was filed.
- 5) Nature-of-the-suit.
- 6) Name-and-location-of-the-court.
- 4)7) Amount of the judgment.
- 5)0) The In-the-case-of--a--simple--interest--loan--the amount of principal and the amount of interest for which judgment is taken.
- 6)9) In the case of a precomputed loan, the unpaid balance of note, the rebate of interest, subtracted therefrom, the resulting balance, plus the amount of any default-and-deferment interest included in the judgment.
- 1)0) Court-costs.
- 1)1) Judgment-by.
 - A) Default.
 - B) Foreclosure.
 - C) Contested-suit.
- 1)2) Disposition-of-the-case.
- d) Court costs charged to the obligor shall borrower-must be itemized and verified by receipts received-bills.
- e) Where property is foreclosed or sold pursuant to any judgment or judicial process, the file must contain a copy of the decree or judicial sale.
- f) If records related to the judgment are kept off-site, the licensee shall make these documents available from that site or return the records to the licensed location within 72 hours after the Department's request.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.140 Sale of Security

The following regulations shall be observed in the sale of security:

- a) The account record shall must give the following information:
 - 1) When possession of the security was obtained, and whether by voluntary or involuntary action.
 - 2) Public or private sale and date sold. When-and-how-sold-(public or-private-sale).
 - 3) When part or all of the security is sold, the fact must be noted on the account record.
 - 4) All credits from proceeds of the sale must be properly identified (whether by sale of security, etc.).
- b) The files of the licensee shall must contain:
 - 1) Evidence of compliance by licensee with all applicable provisions of the Uniform Commercial Code (111-Rev--Stat--1995--ch--267 para--1-101-et-seq) in the sale and disposition by a secured

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- party of collateral after default including copies of all notices directed to the obligor debtor-or-debtors as required therein or as required by any other law, statute or regulation, state or federal.
- 2) Copy of notice of intended sale which must contain notice of default, balance owing, date, place and time of public intended sale or the date after which a private sale may occur and-if public-or-private. Such notice must be forwarded to the obligor debtor-or-debtors--if-more-than-one by certified mail to the last known address of the obligor debtor-or-debtors.
- 3) Signed receipts from the purchasers f or from-the auctioneer if the--sale--is--public, describing the collateral chattels purchased, showing the amount paid for same and the name of the obligor borrower who executed the security agreement, and copies of any competitive bids.
- 4) Copy of statement of final accounting, original of which shall be must-have-been sent to the obligor borrower after the sale, which statement shall set forth the sale price of the collateral chattel--or--chattels, itemization of the costs of sale, and the deficiency balance due on the account, if-any.
- 5) A report of condition of the collateral at the time of retaking.
- c) No waiver of the provisions of the Uniform Commercial Code safeguarding the rights of the obligor shall debtor-or-debtors-may be accepted by a licensee prior to default.
- d) When the collateral property is abandoned and the address of the obligor borrower is uncertain-or unknown, notice of sale and statement of final accounting shall be sent to the last known address by registered or certified mail, return receipt requested.
- e) The following is-the form or its equivalent shall to be used when collateral is chattels-are sold:

STATE _____ DATE _____
CITY _____

This is to acknowledge that the undersigned did purchase from _____ creditor, under the terms of a certain security agreement executed by _____ and _____ on the _____ day of _____, 19 _____, the

following described goods and collateral chattels:

(enumerate articles)

Signature of Purchaser

- f) In connection with the sale of collateral property given as security for loans after default, the licensee shall make only such charges for

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expense incurred as are permitted by the applicable provision of the Uniform Commercial code which charges must be reasonable, taking into consideration the nature of the collateral security, the circumstances surrounding the sale, the fair market value of the collateral and the amount of the indebtedness. Such charges must be substantiated by paid receipts.

- g) The licensee may not charge any commission nor any expense in connection with the taking and sale of security exceeding 10% of the sale price. Should the borrower abandon, conceal or damage the security or cause the licensee unreasonable difficulty or delay to an orderly sale and disposition of said security, any lawful expense incurred by the licensee in the taking and sale of security may be charged by the licensee against the proceeds of sale and, if the sale is a public sale, the net proceeds after all lawful charges and reasonable expense incurred shall be applied to the loan account as a credit, and sale price realized at said sale shall be considered the fair market value of the security sold.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.150 Trouble File

A separate and complete file shall be kept containing all records pertaining to judgments, foreclosures, reposessions, death claims and sales, which record shall be filed alphabetically under the name of the obligor borrower or by account number.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.160 Lien Charges

- a) All official fees paid for the purpose of perfecting or releasing a security interest in property given as collateral for a loan may be collected by a licensee from the obligor borrower.
- b) The licensee may require the prospective obligor borrower to provide evidence of ownership and condition of title as a prerequisite for a loan, all of which expense is to be assumed and paid by the borrower.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.170 Insurance

- a) Licensees, at their option, may provide insurances to the obligor provided borrower providing the obligor borrower has indicated in a specific, dated and separately signed statement that he or she desires

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the insurance coverage. The purchase of any policy of insurance from or through the licensee shall not be a condition precedent to a loan. Such insurance shall comply with the Illinois Insurance Code 111 Rev. Stat. 1985, ch. 73, pars. 613 et seq. 77 as approved and amended, and all lawful requirements of the Director of Insurance related thereto.

1) Types of Coverage

- A) Credit accident and health insurance providing benefits retroactive to the first day of disability is approved by the Department. Any credit accident and health insurance coverage a licensee wishes to sell must comply with the Illinois Insurance Code 111 Rev. Stat. 1985, ch. 73, par. 767.547 Section 155.547 and 50-111-Adm. Code 9517-9527 and 9537.

b) The licensee may provide joint credit life or joint credit accident and health insurance if both insureds are obligated for the loan; however, this coverage shall not be a requirement precedent to the extension of credit.

2) Rates and Charges

- A) The maximum charge for voluntary credit life and credit accident and health insurance shall be as prescribed by the Illinois Insurance Code 111 Rev. Stat. 1985, ch. 73, par. 767.567 Section 155.567 and 50-111-Adm. Code 9517-9527.
- B) Each licensee shall deliver to the Department of Financial Institutions a schedule of the rates to be charged borrowers together with copies of policies to be issued, all as approved by the Department of Insurance.

c) When a loan is prepaid in full by cash, a new loan refinancing or otherwise except by the insurance, the obligor shall receive a refund of the insurance charges. The required refund shall be computed according to the method established by Section 15 of the Consumer Installment Loan Act, commonly called the Rule of 78ths or the Sum of the Digits Method. When the refund of any either credit life or accident and health insurance premium is less than \$1.00, no refund is required.

- d) No licensee shall decline new or existing insurance which meets the standards set forth in the law, nor prevent any obligor from obtaining such insurance coverage from other sources.

e) It shall be the licensee's responsibility to explain clearly to the obligor borrower the benefits and limitations of any insurance requested in connection with any loan or extensions thereof.

f) The statement required by Section 16 of the Consumer Installment Loan Act shall disclose the type and cost of insurance to the borrower. The licensee shall also deliver or cause to be delivered to the obligor borrower a copy of the policy, or policies, certificate, or other evidence thereof at the time the loan is made, and all obligors shall sign and receive a copy of a separate agreement clearly and conspicuously disclosing the limits of coverage.

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f) ~~b~~ No obligor ~~borrower~~ shall be required to purchase any policy of insurance from any certain company, agent, broker or person as a condition precedent to a loan. No licensee shall decline new or existing insurance which is approved by the Department of Insurance, or prevent any obligor from obtaining such insurance from any other source.

g) ~~1~~ When the loan is made, the insurance charges shall be computed for no more than the term of the loan contract on an amount which does not exceed the total amount required to pay the combined total of principal and interest charges.

2)

h) ~~1~~ ~~a~~ If ~~the borrower dies during the term of the transaction the life insurance shall pay the benefits due according to the terms of the policy.~~ The obligor's estate ~~or next of kin~~ shall be paid the amount due ~~if any~~ between the unpaid balance and the insurance benefit paid. Evidence of this payment shall be maintained by the licensee.

i) ~~2~~ In the case of a precomputed contract, the amount of the net unpaid balance shall be the unpaid balance of the note unless any required rebate for prepayment in full on the date of the borrower's death, plus accrued but unpaid delinquency charges. In the case of a simple interest contract, the amount of the net unpaid balance shall be the principal balance plus accrued interest to the date of the borrower's death.

j) ~~2~~ The licensee shall keep in its office a separate record of all accounts on which death claims have been paid. The account records shall indicate the date of death and the refunds of interest or loan charges and unearned insurance premiums paid to the ~~next of kin~~ or estate. The refund check or voucher shall be available on demand.

k) ~~2~~ Insurance against ~~loss of income~~, loss or damage to real or personal property given as security for a loan or liability arising out of ownership may be required of an obligor ~~a borrower~~.

l) ~~2~~ Property insurance provided by a licensee ~~on loans in a principal amount exceeding \$500 shall cover a substantial risk of loss or damage to property related to the loan; the coverage shall be consistent with the amount and term of the loan and shall not extend beyond the maturity of the loan unless the loan is delinquent, when it may be extended 30 days beyond the original expiration date without charge to the obligor(s).~~

m) ~~2~~ Upon cancellation of the loan by prepayment, renewal or refinancing, the obligor(s) shall be entitled to a refund not less than the unearned premium based on the Rule of 78ths in any amount exceeding \$1.00.

n) The licensee or affiliate may receive compensation for the sale of any insurance or debt cancellation contract or other such product purchased pursuant to the loan made or held by the licensee, provided the licensee discloses to the obligor that either the licensee or an affiliate may receive something of value in connection with the purchase by the obligor. This must be prominently disclosed on the

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front side of the loan contract in print no smaller than that used to disclose the Annual Percentage Rate.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.180 Office and Office Hours

Every licensee shall maintain a place of business to which the general public shall have free access and where all obligations entered into shall be payable.

a) Except as provided in subsection ~~paragraph~~ (c) below, or otherwise authorized by the Department, each licensed office shall be open not less than three consecutive hours between 8:00 A.M. and 6:00 P.M. on every business day, except Saturdays, Sundays and legal holidays, during the term of the license, and the licensee shall file with the Department a schedule of the hours during which it elects to keep such office open, provided that any licensee may keep its office open for any period it sees fit in addition to the hours listed in such schedule.

b) Whenever a licensee desires to change the schedule of hours during which its office shall remain open then on file with the Department, it may do so upon filing with the Department a schedule setting forth such change of time at least three days before such change shall go into effect. The schedule of hours shall be prominently displayed in the place of business of the licensee.

c) If any payment of principal or interest, or both, shall be due on any obligations to such licensee on any closed day, then such payment shall be considered for all purposes, including the computation of interest, as having been received on the closed day, if such payment shall be received, whether through the mail or otherwise, at any time before the close of business on the next regular business day following such closed day.

d) The license of each licensee and the Annual License Fee Renewal Certificate shall be prominently displayed and be made available for easy reading by the public in the place of business of the licensee.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.190 Advertising

a) Licensees shall not advertise "No co-makers required", "No endorers required", "Signature only" loans, "Loans made on your plain note" or the like, unless such loans constitute at least 50% of all loans made by the licensee.

b) Licensees shall not make reference in any form of advertising such as newspapers, circulars, letters, radio, or other media, to "Low rates", or "lower rates", or "lowest rates", or "Lowest cost", or to indicate by direct or indirect means through such expression as "Low cost",

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"Lower cost", or "Easier to repay", or by any device that the charges for a loan are low.

c) Licensees may advertise "New reduced rates" or "Reduced rates", or similar phrases for not more than sixty days after the effective date of such reduction in rates.

d) Upon specific request by the Department, licensees shall forward to the Supervisor of the Consumer Credit Division the complete text of all advertising copy whether printed or broadcast for which questions have been raised concerning compliance with the Section 10 of the Consumer-Instalment-Loan Act.

e) A licensee may indicate in advertising and otherwise that its business is "regulated" or "examined" or "supervised" or "licensed" by the State of Illinois. A licensee may not advertise in a false, misleading or deceptive manner or imply or indicate that the rates or charges for loans made are "approved", "set" or "established" by the state government, or any enactment, [205 ILCS 670/18]

f) Should any advertisement by a licensee state the amount of any installment payment, dollar amount of any finance charge or number of installments, or period of repayment, the advertisement shall comply with the provisions of the Consumer Credit Protection Act (15-U.S.C. 1601-et-seq.) and the regulations applicable thereto, issued by the Federal Reserve Board.

g) Any statement of the payment schedule for a loan in an advertisement must show the proceeds of the loan exclusive of the finance charge and indicate the number and amount of the monthly installments required to pay the loan contract. The total of the installments must be sufficient to pay the total of the proceeds and finance charge for the loan according to the payment schedule. When a payment schedule is used, it must disclose the Annual Percentage Rate for each amount of loan advertised, using that term.

h) If the advertisement includes an offer of insurance, the advertisement must disclose the type of insurance offered and whether or not the installments include the cost thereof.

i) The licensee shall not advertise the conduct of business other than at the license location or other location approved by the Director. The conduct of business by the licensee at locations other than that named in the license is prohibited by 205 ILCS 670/7 and therefore advertising to that effect would be misleading and not in compliance with Section 10 of the Act. No licensee shall state or imply either verbally or in print that he will make any loan or transact business at any place other than that named in the license.

j) On a finding that an advertisement is false, misleading or deceptive, the Director may issue a cease and desist order.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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a) Unless otherwise authorized by the Act, no other business may be conducted at in the licensed location Consumer-Instalment-Loan-Office unless authorized in writing by the Director pursuant to Section 12 of the Consumer-Instalment-Loan Act. The Director's authorization will be predicated upon the licensee's agreeing to the following agreement:

a) That the authorization will not conceal nor facilitate concealment of an evasion of the Consumer-Instalment-Loan Act;

b) To comply with any State regulatory-state or federal statute Act or regulation;

c) To obtain any acquire license or registration required by federal, State state or local government agency to engage in the other business authorized;

d) That the Department may examine all records and investigate any or all transactions of in the office of the licensee; operating under the provisions of this Section to determine that the business complies with all applicable laws and regulations and shall charge the licensee \$100.00 for each examiner day or portion thereof required to make and complete an examination or investigation of such business; each office will have an up-to-date copy of the employees training manual or policy guidebook used by employees available to the examiners;

e) That to recognize the Director retains the right Director's authority upon notice and opportunity to be heard to alter, amend or revoke another business authorization or written notice without hearing; for noncompliance with paragraphs (1)-(3) or (4) of this Section or 115-Rev-Stat-1985-ch-17-par-5401-et-seq;

f) That if any federal or State statute or regulation enacted thereafter prohibits the activity, the authorization shall become null and void immediately.

g) Other businesses which may be authorized by the Director include, but are not necessarily limited to:

1) A licensee or parent company or wholly owned subsidiary of such licensee may conduct the business of financing installment sellers and/or purchasing or collecting their bona fide installment sale contracts without the written consent of the Director;

A) The licensee shall not apply or require the borrower to apply a loan made by the licensee to make a partial prepayment of any installment sale contract which has been purchased held or collected in part by such licensee or affiliated person;

B) A licensee shall not knowingly make a loan which is used in whole or in part to make a down payment on an installment sale contract which will be purchased held or collected by the licensee or affiliated person;

C) When an installment sale contract held by a licensee or affiliated person is paid in full from the proceeds of a loan made by the licensee or affiliated person, a portion of the time price differential shall be rebated as prescribed

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in--Section--7--of--the--Motor--Vehicle--Retail--Installment--Sales--Act--(111--Rev--Stat--1985--ch--121--1-2--par--567)--and--or--Section--7--of--the--Retail--Installment--Sales--Act--(111--Rev--Stat--1985--ch--121--1-2-7--par--567):

B) When the proceeds of a loan are used to pay in full an installment sale contract held by the licensee or by an affiliated person, the account record for such a loan shall disclose the account number of the account so paid, and between visits of the Department's Examiners, the licensee or affiliated person shall keep in the licensed office a separate file on all account records or copies thereof pertaining to such installment sale contracts. Such account record shall disclose information as follows: date of purchase; date of contract and maturity; payment schedule; amount of financing charge on which rebate was calculated; amount of rebates; if any; amount; if any; paid for insurance; and other benefits; and official fees paid or to be paid to a public officer for perfecting a lien or to file or record a release as well as date and account number of the loan.

E) When such an installment contract involves subsequent purchases ("add-ons") as provided for in Section 21 of the Retail Installment Sales Act, a separate rebate shall be computed for the original purchase and each subsequent purchase as if each purchase had been made under a separate contract.

F) For the purpose of computing rebate of the finance charge, the amount actually paid by the seller or subsequent holder of the contract to a fully licensed insurance agent or broker or insurance company for insurance premiums may be excluded from the finance charge in the event of cancellation of any automobile insurance or insurance on other tangible personal property, the refund of the insurance premium to the buyer shall not be less than that granted by the insurance company. With respect to any other insurance which is cancelled, the refund of the insurance premium or cost shall be not less than that required under the Rule of 78 refund method. The official fee paid or to be paid to public officers for perfecting the lien or to file or record a release are not required to be recited.

G) No part of the finance charge except the acquisition charge shall be excluded from the finance charge in computing the required rebate.

2) A licensee under the Consumer Installment Loan Act or parent company or wholly owned subsidiary of the licensee may conduct the business of making any other loan permitted to be made by applicable state or federal law.

3) Credit life and accident and health insurance may be provided;

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and a charge therefor made to the buyer in connection with an other licensed business transaction, as set forth in Section 110.170 and the qualifications therein; in a retail installment transaction, insurance against loss or damage to property or liability arising out of ownership may be required of an obligor; the purchase of any policy of insurance from the licensee shall not be a condition precedent to a loan.

4) A licensee under the Consumer Installment Loan Act may conduct a loan-by-mail program:

A) A loan-by-mail is defined as one initiated and executed by the borrower by mail without the borrower's physical entry into the office, and in which the receipts of the loan are transmitted by mail to the borrower at a point other than the licensed premises.

B) Office records and files of original papers must indicate by a distinguishing mark that the loan was made by mail:

- i) loan register;
- ii) individual account records of borrowers;
- iii) file of all original papers;
- iv) Alphabetical index of all borrowers; endorser's co-makers or sureties.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.210 Examination Communications and Remittances

a) Licensees shall forward address all examination remittances communications to the Division of Consumer Credit, Department of Financial Institutions, at any address designated by the Director, 400 West Randolph Street, Chicago, Illinois 60607, or 421 East Capitol Street, Springfield, Illinois 62706. All remittances must be forwarded to the Chicago address.

b) All fees and charges shall be remitted in the form of a check, draft or money order to the order of Director of Financial Institutions.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.215 Document Preparation Fee

A licensee may assess the obligor a document preparation fee not to exceed \$25. This fee may be assessed for consummated loans only and shall be itemized and disclosed in the loan contract as prescribed under the provisions of the Truth-in-Lending Act.

In the event of prepayment in full, no portion of this fee is required to be refunded.

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(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 110.220 Credit Practices

No licensee while collecting or attempting to collect an alleged debt shall engage in any of the following acts:

- a) Using or threatening to use force violence or physical harm to an obligor debtor, his family or his property;
- b) Threatening arrest or criminal prosecution when no basis for such action lawfully exists;
- c) Threatening the seizure, attachment and sale of an obligor's property when such action can only be taken pursuant to court order unless disclosure is made that prior court proceedings are required;
- d) Disclosing or threatening to disclose information adversely affecting an obligor's reputation for credit worthiness with knowledge or reason to know such information is false;
- e) Threatening to initiate or initiating communication with an obligor's employer unless there has been a default in the payment of the obligation and at least 5 days prior written notice to the last known address of the obligor of the intent to communicate with the employer and except as expressly permitted by statute or court order;
- f) Communicating or threatening to communicate with an obligor or his family with such unreasonable frequency as to constitute harassment, or at times reasonably considered to be unusual hours or known to be inconvenient;
- g) Using profane, obscene or abusive language with an obligor or his family;
- h) Disclosing or threatening to disclose information relating to an obligor's indebtedness to any other person except when such other person has a legitimate business need for the information;
- i) Disclosing or threatening to disclose information concerning the existence of a debt which the licensee knows to be reasonably disputed by the obligor without disclosing the fact that the debt is disputed;
- j) Attempting or threatening to attempt enforcement of a right or remedy with knowledge or reason to know that the right or remedy does not exist.
- k) Use of any form of communication simulating legal or judicial process which gives the appearance of being authorized, issued or approved by a governmental agency, official or attorney at law when it is not;
- l) Use of badges, uniforms, or other indicia of any governmental agency or official except as authorized by law;
- m) Misrepresenting the amount of the debt alleged to be owed;
- n) Representing that an alleged debt may be increased by the addition of attorney's fees, investigation fees or any other fees or charges when there is no contractual or statutory authorization for such addition.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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(Source: _____)

Section 110.225 Verification of Amount Owed

- a) Upon written request by either the obligor or the obligor's appointed designee to obtain the amount owing to satisfy the loan in full, the licensee shall provide the following information in writing no later than 3 business days after receiving the request:
 - 1) Net amount owing as of date of response;
 - 2) For simple interest loans, the per diem interest that will accrue for every day thereafter;
 - 3) For precomputed loans, the date that amount owing as stated in response will expire.
- b) The licensee shall only be required to provide this information once every 6 months.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 110.230 General

- a) A Subject--to--the--Federal--Trade--Commission--Credit--Practices--Rule--16--CPR--444--1985--7 wage assignment may be taken from any employed obligor borrower. An "obligor A-borrower" as the word is used in this Part includes endorser-obligor, co-makers or sureties as well as the person actually receiving the money.
- b) No person who himself is an obligor a-borrower of a licensee may become a surety--endorser or co-maker for one or more obligors borrowers of the same licensee, if his aggregate direct or contingent liability is in excess of maximum principal amounts specified in Section 15 of the Act.
- c) The--licensee--shall--keep--in--the--licensed--office--a--record--or--list--of--all--account--records--of--all--loans--purchased--or--sold--to--another--affiliated--or--non-affiliated--licensee--The--account--shall--be--maintained--in--such--file--until--examined--and--released--by--the--examiner--This--record--or--list--shall--indicate--the--date--of--transaction--account--name--and--number--and--the--name--of--the--other--buyer/seller--in--the--transaction.
- d) No--licensee--shall--sell--any--note--or--security--deposited--by--an--obligor--except--to--another--licensee--under--the--Consumer--Installment--Loan--Act--Sales--Finance--Agency--Act--Collection--Agency--Act--or--other--persons--authorized--by--the--Director--as--meeting--the--criteria--in--part--5464--of--the--Act--provided--however--that--this--shall--not--apply--where--the--borrower--takes--up--residence--outside--the--State--of--Illinois.

c) Notary fees shall not be charged to or collected from the obligor borrower.

f) No--licensee--shall--take--any--power--of--attorney--except--to--acknowledge--the--execution--of--an--instrument.

g) All--books--records--files--and--account--records--required--by--the--Consumer

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~~installment loan Act; relevant Federal acts and the rules and regulations of the Department shall at all times be kept up-to-date.~~
~~h) No licensee shall transact business licensed under the Consumer Installment Loan Act under any other name or at any other place of business than that named in the license.~~
~~d) Examination of Records~~

1) The Department may examine all records and investigate any or all transactions in the office of the licensee operating under the Consumer Installment Loan Act to determine that the business complies with applicable laws and regulations and shall charge the licensee \$100.00 for each examiner day or portion thereof required to make and complete an examination or investigation of such licensee.

2) The examination of the books and records of the licensee may be conducted concurrently with the examination of any other business conducted by the licensee which is regulated or licensed by the Department. A separate charge shall be made for each examiner day or portion thereof required to complete each examination as to licensed business.

j) A request to change a place of business to a location other than that set forth in the license shall be submitted to the Department for approval at least 10 days prior to the removal, together with a investigation fee of \$100.00, and the license shall be delivered for execution of removal consent.

k) i) Prior to the completion of the loan, the licensee must inform the obligor in a disclosure statement or other instrument that the obligor has the right to prepay the loan in full at any time before maturity, and that upon prepayment in full on any installment date, such prepayment will reduce the finance and insurance charge for the loan.

e) 2) No penalty charge other than provided by the Consumer Installment Loan Act or the rules and regulations thereunder shall of the Department of Financial Institutions may be imposed by the licensee in the event of prepayment of the principal of the obligation, in whole or in part.

3) Except as provided herein or as permitted under any other consumer loan law and as contained in the Consumer Installment Loan Act (115 Rev. Stat. 1985, ch. 117, par. 54197) the licensee may not charge the borrower a loan fee, finder's fee, service fee, transaction fee, activity fee, investigation fee, credit report fee, broker's fee or any such similar charge or fee.

i) Each licensed office shall have on file or accessible for ready reference current copies of the Consumer Installment Loan Act (115 Rev. Stat. 1985, ch. 117, par. 5401 et seq.), the rules and regulations of this Department pertaining to said Act, and Federal laws and regulations pertaining to the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) applicable to the conduct of business by the

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~~licensee.~~

f) m) For the purpose of any reports required by the Department of Financial Institutions, expenses of all businesses conducted in the licensed office shall be allocated to each such business at the end of each year. The Department shall require information as to all such business in the licensee's annual report.

n) No licensee shall discriminate against any applicant on the basis of sex or marital status with respect to any aspect of a credit transaction for purposes of determining an individual's aggregate responsibility, an obligor or borrower and spouse are considered one person if jointly responsible on an account.

o) When a license is suspended, licensee's office must remain open during regular business hours to take payments on existing loans, but not to make new loans.

q) Loans secured by real estate made under this Act shall disclose on the face of the contract that the loan is being made pursuant to the Consumer Installment Loan Act.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.235 Relocation

a) Whenever a licensee desires to change the licensed place of business to a location other than that set forth in the license and the proposed site is 15 miles or less from the current location, the licensee shall provide the Department with the following at least ten days prior to the relocation:

1) A written notice providing the complete address of the new location;
 2) Photographs of both the exterior and interior of the new location;
 3) A written sworn statement that the new location will not share the premises with that of another business and the exact distance in miles between the existing location and new location;

4) A relocation fee of \$100; and

5) The original legal size license for endorsement.

b) A relocation in excess of 15 miles requires the prior approval of the Director in addition to the information required in subsection (a) of this Section.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 110.240 Hearing Procedures

a) Hearings
 After receipt of a written request for a hearing, the Director shall

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send to the respondent requesting the hearing, by certified mail, at least 10 days prior to the date set for such hearing, a Notice of Hearing. The Notice shall include the date and the time and place of the hearing to review the propriety of any administrative actions made pursuant to the Act. ~~In accordance with Section 94 of the Act, the Director will notify any licensee by registered mail of the date, time and place of a hearing for fines, suspension or revocation of license.~~

b) The Director may designate, in writing, a Hearing Officer who shall have the authority to:

- 1) Examine or permit examination of any witness under oath;
- 2) Determine the order of appearance of all parties;
- 3) Receive all evidence and testimony and rule on its admissibility as well as require the production of any relevant document or witness;
- 4) Rule on objections to evidence;
- 5) Make a written report with recommendations to the Director which shall include findings of fact and conclusions of law with ~~respect to the claim.~~ Findings of fact shall be based exclusively on the evidence and on matters officially noticed; and
- 6) Require any party or his attorney to provide proposed findings of fact or conclusions ~~conclusion~~ of law for consideration in his report.

c) General Provisions

- 1) Delivery of notice shall be deemed complete when the notice is deposited in the to the United States mail ~~Postai--Service--shall constitute delivery.~~
- 2) A continuance shall be granted for good cause by the Hearing Officer ~~Director or his designee~~ which shall be:
 - A) In writing ~~in duplicate~~ and signed by the respondent ~~petitioner~~ or his attorney and shall state the reasons for the request.;
 - B) Delivered to the Hearing Officer ~~Director or his designee~~ at least three days prior to the scheduled hearing.
- 3) For the purposes of this subsection (c)(2) paragraph, good cause shall require the respondent ~~petitioner~~ to demonstrate real and compelling need for additional time. It shall include but not be limited to illness, service in the armed forces, etc.
- 4) The respondent ~~licensee~~ shall bear all the costs of the hearing ~~whether or not he or she is in attendance--Absence of the licensee shall not prohibit the Department from proceeding unless a continuance has been granted.~~
- 5) A court reporter will be present and considered as part of the costs of the hearing.

d) Conduct of Hearings

- 1) The Hearing Officer shall open the hearing by presenting for the record his letter of authorization from the Director. ~~The licensee or his attorney shall then present his case and the~~

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~~proof thereof--The proof may include testimony, or any document relevant to the claim.~~

- 2) The rules of evidence and privilege as applied in civil cases in the Circuit Courts of this State shall be followed. The Hearing Officer may admit evidence not admissible under such rules if such evidence may be relevant to the case ~~in accordance with Section 10-40 of the Illinois Administrative Procedure Act (Ill. Rev. Stat. 1991 ch. 127, par. 10-40).~~
- 3) The Hearing Officer may on his own motion or the motion of one of the parties take notice of matters of which the Circuit Courts of this State may take judicial notice. ~~Notice may be taken of generally recognized technical or scientific facts within the Department's specialized knowledge if parties are notified, before or during the hearing, and shall be afforded an opportunity to contest the material so noticed.~~ The burden of opposing any material admitted upon notice shall be upon the party so opposing.
- 4) Failure of the respondent to attend the hearing shall result in dismissal of the respondent's petition and an entry of a default against the respondent. Within 30 days from dismissal of the respondent's petition, the respondent may petition the Hearing Officer for reconsideration if the respondent can establish that his failure to attend was caused by events beyond his control and he exercised due diligence to attend or seek a continuance. ~~No Department employee or Hearing Officer shall, after notice of a hearing, communicate with any party or his attorney in connection with any issue in said hearing except notice and opportunity for all parties to participate.~~
- 5) The record of any hearing shall include:
 - A) All pleadings, and evidence received whether admitted or excluded;
 - B) A statement of all matters officially noticed;
 - C) All offers of proof, objections and rulings thereon;
 - D) All proposed findings and exceptions;
 - E) Any decision, opinion, or report by the Hearing Officer;
 - F) Any communication prohibited by this rule, ~~although such communication shall not form the basis for any finding of fact.~~
- 6) Any evidence excluded by the Hearing Officer, even though such evidence is not used in the determination of the claim; ~~G) A proceeding transcript which shall be recorded by such means as to adequately ensure the preservation of the testimony.~~
- 7) Within 60 ~~sixty~~ days after of the hearing or the receipt of all necessary documents, the Hearing Officer shall report to the Director, pursuant to this section. Within 30 ~~thirty~~ days after receiving the report of the Hearing Officer, the Director shall issue his decision, which shall be

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served on the respondent ~~claimant and other parties personally or~~ by registered or certified mail, return receipt requested. Copies of the Hearing Officer's report to the Director are available upon written request ~~from the petitioner.~~

e) Petition to Reconsider

- 1) Within 30 ~~thirty~~ days after receipt of the Director's decision, the respondent ~~any party~~ may petition the Director for reconsideration based upon a verified petition. An affidavit shall accompany the petition stating that the decision was against the preponderance ~~manifest weight~~ of the evidence, was contrary to law, or was arbitrary or capricious, or is affected by newly discovered evidence not in existence at the time of the initial hearing or which could not have been discovered using due diligence at that time.

- 2) The Director shall determine within 15 ~~fifteen~~ days whether to reconsider the case. If the Director determines after reading the affidavit that one or more of the findings listed in subsection ~~Subsection~~ (e)(1) has been alleged by the respondent ~~petitioner~~, a hearing may ~~shall~~ be held ~~pursuant to this rule~~ and shall be limited to ~~only~~ those ~~the~~ issues raised in ~~by~~ the petition to reconsider ~~and affidavit~~. If reconsideration is denied, the Director's initial decision shall be the final administrative decision of the Department.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 110.250 Limited Purpose Branch

A licensee applying for a limited purpose branch shall submit to the Department the following:

- a) A written application in the form prescribed by the Director.
- b) Fee as prescribed by the Act.
- c) Photograph of proposed site and a description of the location, including any other business which is conducted there.
- d) Written statements:
 - 1) that no other activity shall be conducted at the site, including but not limited to accepting payments, servicing the accounts, or collections; and
 - 2) that the proposed site shall not be within 1,000 feet of a facility operated by an inter-track wagering licensee or an organization licensee subject to the Illinois Horse Racing Act of 1975, or riverboat subject to the Riverboat Gambling Act, or within 1,000 feet of the location at which the riverboat docks.
- e) Any additional information that the Director may require.

(Source: Added at 22 Ill. Reg. _____, effective _____)

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Section 110.260 Off-Site Records

With the Director's prior written approval, the licensee may retain records at a location other than the licensed location. The licensee shall make a written request which shall include the following:

- a) Address of off-site location.
- b) Contact person and telephone number at the off-site location.
- c) Statement that all books, records and account information shall be made available within 72 hours after the Department's request at either the licensed location or the off-site location.
- d) At the Director's discretion, the examination may be conducted at either the licensed location or the off-site location.
- e) The licensee will pay for all examination expenses.

(Source: Added at 22 Ill. Reg. _____, effective _____)

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Section 110. TABLE A Illinois Rule of 78 Fractions for Rebating Charges
According to Number of Months Originally Contracted For and Number of Months
Prepaid in Full for Contracts of 2 to 120 Months (Repealed)

REBATE-FRACTIONS-FOR-CONTRACTS
PREPAID-ONE-MONTH

(Find number of months con-
tracted-for on left and
rebate-fraction on right)

Number-of-months
originally
contracted-for

--2 1/3
--3 1/6
--4 1/10
--5 1/15
--6 1/21
--7 1/28
--8 1/36
--9 1/45
--10 1/55
--11 1/66
--12 1/78
--13 1/91
--14 1/105
--15 1/120
--16 1/136
--17 1/153
--18 1/171
--19 1/190
--20 1/210
--21 1/231
--22 1/253
--23 1/276
--24 1/300
--25 1/325
--26 1/351
--27 1/378
--28 1/406
--29 1/435
--30 1/465
--31 1/496

Number-of-months
prepaid

--2 --2
--3 --3
--4 --4
--5 --5
--6 --6
--7 --7
--8 --8
--9 --9
--10 --10
--11 --11
--12 --12
--13 --13
--14 --14
--15 --15
--16 --16
--17 --17
--18 --18
--19 --19
--20 --20
--21 --21
--22 --22
--23 --23
--24 --24
--25 --25
--26 --26
--27 --27
--28 --28
--29 --29
--30 --30
--31 --31

NUMBER-OF-REBATE-FRACTIONS
FOR-EARLIER-PREPAYMENTS

(Find number of months prepaid
on left and number of
rebate-fractions on right)

--3 --3
--6 --6
--10 --10
--15 --15
--21 --21
--28 --28
--36 --36
--45 --45
--55 --55
--66 --66
--78 --78
--91 --91
--105 --105
--120 --120
--136 --136
--153 --153
--171 --171
--190 --190
--210 --210
--231 --231
--253 --253
--276 --276
--300 --300
--325 --325
--351 --351
--378 --378
--406 --406
--435 --435
--465 --465
--496 --496

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Number-of-months
originally
contracted-for

1/520
--32
--33 1/561
--34 1/595
--35 1/630
--36 1/666
--37 1/703
--38 1/741
--39 1/780
--40 1/820
--41 1/861
--42 1/903
--43 1/946
--44 1/990
--45 1/1035
--46 1/1081
--47 1/1128
--48 1/1176
--49 1/1225
--50 1/1275
--51 1/1326
--52 1/1378
--53 1/1431
--54 1/1485
--55 1/1540
--56 1/1596
--57 1/1653
--58 1/1711
--59 1/1770
--60 1/1830
--61 1/1891
--62 1/1953
--63 1/2016
--64 1/2080
--65 1/2145
--66 1/2211
--67 1/2278
--68 1/2346
--69 1/2415
--70 1/2485
--71 1/2556
--72 1/2628
--73 1/2701
--74 1/2775
--75 1/2850

Number-of-months
prepaid

--32
--33
--34
--35
--36
--37
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--42
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--69
--70
--71
--72
--73
--74
--75

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Number-of-months
originally
contracted-for

Number-of-months
prepaid

172926 -76 172926 3226
173003 -77 173003 3003
173081 -78 173081 3081
173160 -79 173160 3160
173240 -80 173240 3240
173321 -81 173321 3321
173403 -82 173403 3403
173486 -83 173486 3486
173570 -84 173570 3570
173655 -85 173655 3655
173741 -86 173741 3741
173828 -87 173828 3828
173916 -88 173916 3916
174005 -89 174005 4005
174095 -90 174095 4095
174186 -91 174186 4186
174278 -92 174278 4278
174371 -93 174371 4371
174465 -94 174465 4465
174560 -95 174560 4560
174656 -96 174656 4656
174753 -97 174753 4753
174851 -98 174851 4851
174950 -99 174950 4950
175050 100 175050 5050
175151 101 175151 5151
175253 102 175253 5253
175356 103 175356 5356
175460 104 175460 5460
175565 105 175565 5565
175671 106 175671 5671
175778 107 175778 5778
175886 108 175886 5886
175995 109 175995 5995
176105 110 176105 6105
176216 111 176216 6216
176328 112 176328 6328
176441 113 176441 6441
176555 114 176555 6555
176670 115 176670 6670
176786 116 176786 6786
176903 117 176903 6903
177021 118 177021 7021
177140 119 177140 7140

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Number-of-months
originally
contracted-for

Number-of-months
prepaid

177260 120 177260 7260
the-fraction-of-the-charge-required-to-be-rebated-for-contracts-prepaid-in-full
one-month-is-in-left-hand-column-to-right-of-number-of-months-originally
contracted-for-the-number-of-fractions-required-to-be-rebated-for-each
prepayment-is-in-right-hand-column-to-right-of-number-of-months-prepaid-

DIRECTIONS: To determine the required fraction of the charge to be rebated, find
the number of months originally contracted for in the left-hand
column and the number of months prepaid in the right-hand column;
then multiply the rebate fraction in the left-hand column beside the
number of months contracted for by the number in the right-hand
column beside the number of months prepaid; go determine the
required rebate; apply the required rebate fraction to the charge
ignoring any adjustment for first installment period; Round
result to nearest penny.

(Source: Repealed at 22 Ill. Reg. _____, effective _____)

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Section 110. TABLE B Rule of 78 Percentage Rebate Table (Repealed)

Section 110. TABLE B Rule of 78 Percentage Rebate Table (Repealed)

No. of Mos. Pre- paid	Term of Loan		—		Number of Months Originally Contracted For								
	120 Mos.	%	96 Mos.	%	84 Mos.	%	72 Mos.	%	60 Mos.	%	48 Mos.	%	36 Mos.
1	.01	.02	.02	.03	.04	.05	.05	.09	.15	.22	.33	.42	.51
2	.04	.05	.06	.08	.11	.16	.26	.45	.85	.65	1.00	1.35	1.82
3	.08	.10	.13	.17	.23	.33	.51	.85	1.50	1.29	2.00	2.82	3.85
4	.14	.17	.21	.28	.38	.55	.85	1.50	2.15	3.33	5.00	7.00	9.69
5	.21	.25	.32	.42	.57	.82	1.28	2.25	3.23	5.00	7.00	9.69	13.50
6	.29	.36	.45	.59	.80	1.15	1.79	3.15	4.52	7.00	9.69	13.50	18.75
7	.39	.48	.60	.78	1.07	1.53	2.38	4.20	6.02	9.33	13.50	18.75	26.25
8	.50	.61	.77	1.01	1.37	1.97	3.06	5.41	7.74	12.00	16.50	22.50	30.62
9	.62	.76	.97	1.26	1.71	2.46	3.83	6.76	9.68	15.00	21.00	28.50	38.50
10	.76	.93	1.18	1.54	2.09	3.01	4.68	8.26	11.83	18.33	26.00	35.00	46.87
11	.91	1.12	1.42	1.85	2.51	3.61	5.61	9.91	14.19	22.00	30.33	40.00	53.62
12	1.07	1.33	1.68	2.18	2.97	4.26	6.63	11.71	16.77	26.00	35.00	45.33	60.00
13	1.25	1.55	1.95	2.55	3.46	4.97	7.74	13.66	19.57	30.33	40.00	50.00	66.67
14	1.45	1.78	2.26	2.94	4.00	5.74	8.93	15.77	22.58	35.00	45.33	55.00	73.33
15	1.65	2.04	2.58	3.36	4.57	6.56	10.20	18.02	25.81	40.00	50.00	60.00	80.00
16	1.87	2.31	2.92	3.81	5.18	7.43	11.56	20.42	29.25	45.33	60.00	70.00	90.00
17	2.11	2.60	3.29	4.29	5.82	8.36	13.01	22.97	32.90	50.00	60.00	70.00	90.00
18	2.36	2.91	3.67	4.79	6.51	9.34	14.54	25.68	36.77	57.00	70.00	80.00	100.00
19	2.62	3.23	4.08	5.32	7.23	10.38	16.16	28.53	40.86	63.33	80.00	90.00	110.00
20	2.89	3.57	4.51	5.88	7.99	11.48	17.86	31.53	45.16	70.00	80.00	90.00	110.00
21	3.18	3.92	4.96	6.47	8.79	12.62	19.64	34.68	49.68	77.00	90.00	100.00	120.00
22	3.48	4.30	5.43	7.09	9.63	13.82	21.51	37.99	54.41	84.33	100.00	110.00	130.00
23	3.80	4.69	5.93	7.73	10.50	15.08	23.47	41.44	59.35	92.00	110.00	120.00	140.00
24	4.13	5.10	6.44	8.40	11.42	16.39	25.51	45.05	64.52	100.00	110.00	120.00	140.00
25	4.48	5.52	6.98	9.10	12.37	17.76	27.64	48.80	69.89	110.00	120.00	130.00	150.00
26	4.83	5.96	7.54	9.83	13.36	19.18	29.85	52.70	75.48	120.00	130.00	140.00	160.00
27	5.21	6.42	8.12	10.59	14.38	20.66	32.14	56.76	81.29	130.00	140.00	150.00	170.00
28	5.59	6.90	8.72	11.37	15.45	22.19	34.52	60.96	87.31	140.00	150.00	160.00	180.00
29	5.99	7.39	9.34	12.18	16.55	23.77	36.99	65.82	93.55	150.00	160.00	170.00	190.00
30	6.40	7.90	9.99	13.03	17.69	25.41	39.54	69.32	100.00	160.00	170.00	180.00	200.00
31	6.83	8.43	10.65	13.89	18.87	27.10	42.18	74.47	110.00	170.00	180.00	190.00	210.00
32	7.27	8.97	11.34	14.79	20.09	28.85	44.90	79.28	120.00	180.00	190.00	200.00	220.00
33	7.73	9.53	12.05	15.71	21.35	30.66	47.70	84.23	130.00	190.00	200.00	210.00	230.00
34	8.20	10.11	12.78	16.67	22.64	32.51	50.60	89.34	140.00	200.00	210.00	220.00	240.00
35	8.68	10.70	13.53	17.65	23.97	34.43	53.57	94.59	150.00	210.00	220.00	230.00	250.00
36	9.17	11.31	14.30	18.66	25.34	36.39	56.63	100.00	220.00	220.00	230.00	240.00	260.00
37	9.68	11.94	15.10	19.69	26.75	38.42	59.78	110.00	230.00	230.00	240.00	250.00	270.00
38	10.21	12.59	15.91	20.76	28.20	40.49	63.01	120.00	240.00	240.00	250.00	260.00	280.00
39	10.74	13.25	16.75	21.85	29.68	42.62	66.33	130.00	250.00	250.00	260.00	270.00	290.00
40	11.29	13.93	17.61	22.97	31.20	44.81	69.73	140.00	260.00	260.00	270.00	280.00	300.00
41	11.86	14.63	18.49	24.12	32.76	47.05	73.21	150.00	270.00	270.00	280.00	290.00	310.00

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No. of Mos.	Term of Loan		Number of Mos.		Interest Paid For	
	120 Mos.	108 Mos.	%	%	1	30 Mos.
42	12.44	15.34	19.39	25.29	49.34	75.79
43	13.03	16.07	20.32	26.50	51.89	79.14
44	13.64	16.82	21.26	27.73	54.10	84.18
45	14.26	17.58	22.23	28.99	56.37	88.01
46	14.89	18.37	23.22	30.28	58.61	91.92
47	15.54	19.16	24.23	31.60	60.84	95.92
48	16.20	19.98	25.26	32.94	63.04	
49	16.87	20.81	26.31	34.31	65.24	
50	17.56	21.66	27.38	35.71	67.46	
51	18.26	22.53	28.48	37.14	69.67	
52	18.98	23.41	29.60	38.60	71.89	
53	19.71	24.31	30.73	40.08	74.09	
54	20.45	25.23	31.89	41.60	76.29	
55	21.21	26.16	33.08	43.14	78.50	
56	21.98	27.12	34.28	44.71	80.71	
57	22.77	28.08	35.50	46.30	82.90	
58	23.57	29.07	36.75	47.93	85.11	
59	24.38	30.07	38.02	49.58	87.35	
60	25.21	31.09	39.30	51.26	89.63	
61	26.05	32.13	40.61	52.97	91.96	
62	26.90	33.18	41.95	54.71	94.32	
63	27.77	34.25	43.30	56.48	96.71	
64	28.65	35.34	44.67	58.26	99.12	
65	29.55	36.44	46.07	60.08	101.56	
66	30.45	37.56	47.49	61.93	104.03	
67	31.38	38.70	48.93	63.81	106.53	
68	32.31	39.86	50.39	65.71	109.07	
69	33.26	41.03	51.87	67.65	111.64	
70	34.23	42.22	53.37	69.61	114.24	
71	35.21	43.43	54.90	71.60	116.87	
72	36.20	44.65	56.44	73.61	119.53	
73	37.20	45.89	58.01	75.66	122.22	
74	38.22	47.15	59.60	77.73	124.94	
75	39.26	48.42	61.21	79.83	127.69	
76	40.30	49.71	62.84	81.96	130.47	
77	41.36	51.02	64.50	84.12	133.28	
78	42.44	52.34	66.17	86.30	136.12	
79	43.53	53.69	67.87	88.52	138.99	
80	44.63	55.05	69.59	90.76	141.89	
81	45.74	56.42	71.33	93.03	144.82	
82	46.87	57.82	73.09	95.32	147.78	

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1) Heading of the Part: Financial Planning and Management Service Act

2) Code Citation: 38 Ill. Adm. Code 140

3) Section Numbers:	Proposed Action:
140.10	Amendment
140.20	Amendment
140.30	Amendment
140.40	Amendment
140.50	Amendment
140.60	Amendment
140.70	Amendment
140.80	Amendment
140.90	Amendment
140.100	Amendment
140.110	Amendment
140.120	Added
140.130	Added

4) Statutory Authority: 205 ILCS 665/15

5) A Complete Description of the Subjects and Issues Involved: The Debt Management Service Act (PA 90-545) became law on January 1, 1998. The Department is amending rules initially under the Financial Planning and Management Service Act to regulate licensees under P.A. 90-545. The rulemaking amends requirements that licensees prepare and maintain expanded client activity, debt payment and trust account bank records; prescribes minimum license qualifications (including a \$25,000 bond); requires disclosure of fees imposed on customers and limits those fees to those permitted under the Act; and prescribes hearing procedures.

6) Will this rulemaking replace any emergency rulemaking currently in effect?
Yes

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking neither creates nor expands a State mandate.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Information and questions regarding this rule shall be directed to:

M. Rose Kelly

DEPARTMENT OF FINANCIAL INSTITUTIONS

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Chief Counsel
100 W. Randolph, Suite 15-700
Chicago IL 60601
312/814-2008

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: Persons licensed under the Debt Management Services Act

B) Reporting, bookkeeping or other procedures required for compliance: Minimal requirements similar to previous rules

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendment begins on the next page:

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TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL INSTITUTIONS

PART 140

DEBT MANAGEMENT FINANCIAL PLANNING AND MANAGEMENT SERVICE ACT

Section	
140.10	Office Records
140.20	Bank Account
140.30	Dual Business
140.40	License
140.50	General Operations
140.60	Fees
140.70	Prohibited Activities
140.80	Advertising
140.90	Availability of Act and Rules and Regulations
140.100	Examination
140.110	Revocation - Suspension - Surrender
140.120	Hearing Procedures
140.130	Proof of Payment

AUTHORITY: Implementing and authorized by the Debt Management Service Act [205 ILCS 665].

SOURCE: Filed February 14, 1972; old rules repealed, new rules adopted at 3 Ill. Reg. 27, p. 81, effective July 2, 1979; codified at 7 Ill. Reg. 13264; amended at 9 Ill. Reg. 1368, effective January 17, 1985; emergency amendment at 22 Ill. Reg. 1528, effective January 2, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. _____, effective _____.

Section 140.10 Office Records

- a) Required Files
- 1) Every licensee shall keep the following records or their equivalent in accord with generally accepted accounting principles as approved by the Department:
 - A) Client File Customer's-Register
 - B) Client Activity Record Account-Cards
 - C) Payment Detail Report Cash-Book
 - D) File-of-Original-Papers
 - D) Index System
 - 2) Such records must be kept at the licensed office as the record of business conducted as a financial planning and management licensee:

If a computerized system is in use, licensee shall maintain a permanent file of back-up computer media for the end of each month.
 - 3) All books and records shall be kept current and available for

DEPARTMENT OF FINANCIAL INSTITUTIONS

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examination by the Department of Financial Institutions.

- b) Client File Customer's-Register
The client file customer's-register shall contain the following: original entry and be a permanent record, and shall show the account number, name, address, date of contract, total indebtedness, monthly payment, and fee charged and term of contract; the original contract, a listing of total debtor income, a list of creditors including the balance owed to each and monthly payments due and a copy of the agreed-upon debt management plan.
- c) Client Activity Record Account-Cards
An individual account card shall be maintained for each customer. Such account card shall show the name and address of the customer, account number, date of contract, total indebtedness, terms of payments and the fee charged. The card shall also indicate the distribution of the prorated fee.
- i) A file shall be kept containing the paid or cancelled account cards for a period of two (2) years from the paid or cancelled date showing the disbursements in full and the final amount of fee collected. Adding machine tapes verifying the disbursements including the fee against total receipts shall be attached to each card, but shall not obscure entries.
 - 2) If a contract is cancelled by a licensee or customer and a fee is claimed but not paid, the account card shall show the reason for cancellation and the amount of the fees claimed.
 - 3) The entries on the card for payments received shall correspond with the receipts given to the customer and shall also show the disbursements made to creditors. All entries shall be made in ink.
 - 4) No erasures whatsoever may be made on the card. In case of error, a line should be drawn in ink through the improper entry and the correct entry made on the following line. No entries shall be masked, covered, or rendered illegible.
 - 5) When legal action is taken to collect an unpaid fee, the account card shall indicate:
 - A)
 - i) Date of Judgement
 - ii) Amount of Judgement
 - iii) Name and place of court
 - iv) Court costs
 - B) If court costs are included in the amount claimed, receipts for court costs advanced and a statement from the attorney of record (if there is one) shall be kept in file of original papers.
 - C) A separate file of all litigation accounts to be known as the "trouble file" shall be maintained in the office of the licensee.

The Client Activity Record shall contain the original entry and be a permanent record, and shall show the debtor's account number, name,

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address, date of contract, total indebtedness, monthly receipts, any fees charged, amounts disbursed to creditors and the estimated term of the contract to satisfy the amount owed.

1) If a contract is cancelled by a licensee or debtor and a fee is claimed but not paid, the debtor activity record shall show the reason for cancellation and the amount of any fee claimed to be owed.

2) If legal action is taken to collect an unpaid fee, the client activity record shall include a copy of the judgment or action taken.

3) A separate file of all litigation accounts shall be maintained in the office of the licensee.

d) Payment Detail Report Cash-Book

1) All receipts and disbursement of any amount shall be entered in the cash-book on the date of receipt or disbursement. The cash book shall show the monthly totals of all receipts, disbursements and undisbursed or reserve funds.

2) The cash-book shall be a permanent record of all details of income and disbursements including all entries to individuals accounts of customers.

An individual Payment Detail Report shall be maintained for each debtor, including the account number, name and address, date of contract, total indebtedness, terms of payment and any fees charged. The report shall also show the monthly total of all receipts, disbursements, undisbursed or reserve funds and the distribution of any prorated fee.

1) A file shall be kept containing the paid or canceled Payment Detail Reports for a period of 5 years, showing the receipts and disbursement in full and the total amount of fees collected. In a non-computerized system, adding machine tapes verifying the receipts against all disbursements, including total fees, shall be attached to each client file.

2) The entries on the Payment Detail Report shall correspond with the receipt of periodic statements given to the debtor and shall reflect the disbursement made to creditors showing the net and gross amount.

3) In a non-computerized system, all entries shall be made in ink and no erasures whatsoever may be made on the report. In case of error, a line should be drawn in ink through the improper entry and the correct entry made on the following line. No entries shall be masked, covered or rendered illegible.

e) File of Original Papers

The file of original papers for each account shall contain the following: the contract, a list of creditors and amounts owed to each, evidence of acceptance of the plan by a majority of creditors in number and amount.

e) Index System

An alphabetical index system shall be kept indicating name and address

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of clients, account number, date of contract and total indebtedness. All books and records required by the Rules and Regulations shall at all times be kept up-to-date and available for examination by representatives of the Department of Financial Institutions.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.20 Bank Account

a) A separate trust bank account shall be maintained for the purpose of depositing customer's receipts and making disbursements to creditors or transferring earned fees to the general account. Funds shall be deposited within one business day after receipt promptly.

b) Trust account bank statements and cancelled checks shall be retained at the office of the licensee for a period of 3 two--(2) years, from the date the account was paid or cancelled.

c) Copies of the original trust account bank statement and canceled checks, either in hard copy, microfilm, microfiche, or by other electronic means, shall be kept at the office of the licensee, at licensee's headquarters, or at an off-site storage facility for a period of 5 years.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.30 Dual Business

No licensee shall transact any other business than that provided for by the Debt Financial Planning and Management Service Act within the office, room or place of business occupied by the licensee, except as may be authorized in writing by the Director upon his finding that the character of such other business is such that the granting of such authority will not facilitate evasions of the Act or the Rules.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.40 License

When more than one license is issued to an individual, partnership or corporation, proof must be shown that each branch will be managed by an experienced person of good character and general fitness. A resume of past experience and former employers shall be submitted with the application for a license.

a) For purposes of determining an applicant's qualifications for a license, the Department shall find an applicant financially

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responsible if it has a positive net worth. Net worth means total assets minus total liabilities.

b) An applicant shall possess at least 6 months of relevant business experience.

c) In order to determine the applicant's general fitness and character, the Director may require applicants to submit at least 2 letters of recommendation from persons familiar with the applicant or the applicant's business.

d) For all applications due on January 1, 1998, the applicant may submit the application for license, the required \$25,000 bond, deposit in cash, or U.S. Government Bonds and other required information to the Director on, or before, March 1, 1998. Any applicant applying for a license after March 1, 1998 and thereafter shall submit the bond, the application for license and all required information at the time of application for a license.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.50 General Operations

a) The licensee shall explain clearly and distinctly to each customer exactly the services to be rendered and the fees to be paid. The customer shall be furnished with a clear statement of the charges, terms, list of creditors and amount to be paid to each.

b) A plan of payment shall be considered feasible and practical if it is devised in writing to allow a regular accumulation of funds for distribution to creditors after determination of the customer's regular income, fixed and operating expenses, and such provision for emergencies as may be mutually agreed upon.

If, after analyzing the debtor's total income and expenses, it is determined that a payment plan should be developed, the licensee shall create a Debt Management Plan (DMP) that is considered feasible and practical to allow a payment of funds by the debtor for distribution to the debtor's creditors as may be mutually agreed upon.

1) The licensee shall seek to obtain the consent of a majority of the creditors to accept the terms of the payment plan. Creditor acceptance may be determined by acceptance of a payment without written objection.

2) The debtor has the right to cancel the Debt Management Plan at any time by notifying the licensee, in writing, of debtor's desire to discontinue.

3) The cancellation will take effect on the first day of the month following receipt of the cancellation notice from the debtor.

c) When a contract is paid-in-full or satisfied, a statement shall be issued promptly to the debtor showing that the obligation has been satisfied. Licensee shall retain a copy of the contract marked "paid" or "Satisfied" in the client file.

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1) If the debtor terminates payment to the licensee for a period exceeding 30 days, the licensee shall not consider pro rata fees as having been earned beyond 30 days following the next monthly contract date.

2) The licensee is prohibited from charging a penalty for cancellation by either the debtor or the licensee except as provided in Section 12 of the Act.

3) The licensee shall actively seek to obtain the consent of a majority of the creditors by number and amount, if the creditor acceptance may be determined by acceptance of a payment without written objection.

4) Failure to obtain the consent, as stated above, of a majority of creditors in number and amount within sixty (60) days of the contract execution shall entitle the debtor to, prior to ratification of consent of a majority of the creditors, if such is received after 60 days, cancel the contract at any time within one hundred and twenty (120) days of said contract date. Failure of licensee to actually obtain said consent shall relieve debtor of liability for payment of any cancellation fees herein authorized.

5) All paid-in-full contracts on which the fee has been collected or waived must be returned to the customer promptly, showing that the obligation has been satisfied. Licensee may retain a copy of the original contract as returned to the debtor, marking "Paid" or "Satisfied".

6) If the contract debtor terminates payments to the licensee for a period exceeding thirty (30) days the licensee shall not consider pro rata fees as having been earned beyond thirty (30) days following the next monthly contract anniversary date. If the debtor resumes payments to the licensee within one hundred twenty (120) days following the termination, the licensee may restate the contract and consider pro rata monthly fees to be earned commencing with the closest monthly contract anniversary date. Nothing in the above wording is intended to alter the fees due the licensee in the event of prepayment or cancellation by either the debtor or the licensee as provided in Section 12 of the Act.

7) Every contract between a licensee and debtor shall:

1) List every debt to be prorated, with the creditor's name, and disclose the total of all such debts;

2) Provide payments reasonably within the ability of the debtor to pay in precise terms;

3) Disclose in precise terms the rate and amount of the licensee's charge;

4) Disclose the approximate number and amount of installments required to pay the debts in full;

5) Disclose the name and address of the licensee and of the debtor;

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6) ~~Be--drawn--for--the--term--necessary--to--liquidate--the--debtor's obligations.~~

5) ~~Contain such other provisions or disclosures as the Director of Department of Financial Institutions shall determine is necessary for the protection of the debtor and the proper conduct of business by a licensee.~~

6) Inform the debtor of any relationship that exists between the licensee and any creditor.

7) All contracts shall ~~must be~~ originated ~~executed~~ at the office of the licensee or its agent.

8) When adjustments are needed to change the indebtedness listed in the contract, the licensee may execute a new contract using the revised figures or use a rider form executed in accordance with instructions provided in the rider. ~~A cancellation charge shall not be made in using either alternative.~~

9) All legal documents and other forms that a debtor shall be required to sign shall be filed with the Director of the Department of Financial Institutions prior to use.

10) A licensee shall deliver a copy of any contract, or agreement, or Debt Management Plan between the licensee and the debtor to the debtor immediately after the debtor executes it, and the debtor's copy shall be executed by the licensee.

11) A calendar month is the period from the given date in one month to the same numbered date in the following month and if there is no same numbered date in the following month, to the last date in the following month. Not more than one (1) month's months service fee may be considered earned in any calendar month. A calendar month commences on the anniversary date of the contract.

12) A ~~licensee~~ ~~paid--by--check--or--money--order--a~~ licensee shall deliver a receipt to the debtor for each cash payment, ~~within--five--(5)--days after--receipt--of--a--payment.~~

13) The licensee shall make distribution ~~remittances~~ to the debtor's creditors within ~~thirty--(30)--days~~ after initial receipt of funds, and thereafter distributions ~~remittances~~ shall be made to creditors within ~~30--fifteen--(15)--days~~ after receipt, less fees and costs, unless the reasonable payment of one ~~10~~ or more of the debtor's obligations requires that such funds be held for a longer period to accumulate a certain sum, but in any case not to exceed an additional ~~thirty--(30)--days~~, or as authorized by the contract.

14) At least once each ~~3--six--(6)--months~~, the licensee shall render an accounting to the debtors which shall itemize the total amount received from the debtor, the total amount paid to each creditor, the total amount which any creditor has agreed to accept as payment in full on any debt owed him by the debtor, the amount of charges deducted, and any amounts held in reserve. A licensee shall render such an accounting ~~account~~ to a debtor within ~~5--seven--(7)--days~~ after receipt of a written demand.

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(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.60 Fees

a) A printed schedule of fees charged by a licensee shall be given to the debtor prior to the initial counseling session. ~~posted--in--a conspicuous place--in--the--licensee's--place--of--business.---A--licensee shall--not--charge--fees--in--excess--of--the--posted--fees.~~

b) ~~Utility--bills,--rent,--mortgages--and--other--cyclical--bills--may--not--be included--in--the--schedule--of--debts--on--which--service--charges--are computed,--but--may--included--in--a--plan--of--distribution--to--creditors--as--a management--factor.---Charges--not--to--exceed--5%--of--monies--handled--for cyclical--bills--may--be--imposed.~~

A licensee shall not charge any fee in excess of those provided in Section 12 of the Act.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.70 Prohibited Activities

a) A licensee shall not take:

- 1) Any contract, promise to pay, or other instrument which has any blank spaces when signed by a debtor;
- 2) Any negotiable instrument for the licensee's charges;
- 3) Any note, wage assignment, real estate or chattel mortgage, or other security to secure the licensee's charges;
- 4) Any confession of judgement or power of attorney to confess judgement against the debtor or to appear for the debtor in a judicial proceedings;
- 5) Any real or personal property as security for payment of a fee;
- 6) Concurrent with the signing of the contract or as part of the application for the contract a release of any obligation to be performed on the part of the licensee.

b) A licensee shall not take an appointment as attorney in fact or power of attorney.

c) Licensees shall not take any legal instrument from the debtor other than the service contract and authorized rider.

d) The licensee shall not accept a fee directly, or indirectly, from any person or other entity ~~tending--institutions in exchange for the referring referral--of potential customers borrowers--to--lenders.~~

e) ~~No fees shall be paid directly, or indirectly, to an attorney, lending institutions, or any other source for the referral of customers.~~

f) ~~A licensee shall not solicit or require a debtor to purchase, or agree to purchase, any policy of insurance.~~

g) ~~A licensee shall not lend money or extend credit or include in the~~

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contract any debts not established prior to the execution of the contract. Projected future rents, mortgage payments, and the creating of a savings account are not considered to be debts within the meaning of the Act.

h) No advance of the licensee's funds on the debtor's customer's behalf shall be made by a licensee to any creditor or to the debtor without the customer's written consent. No advance of funds may be made as a device to extend the scheduled maturity of a contract and thereby increase fee charges to the customer. No interest may be charged on the funds advanced.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.110 Revocation - Suspension - Surrender

- a) Pursuant to Section 10 of the Act the Director may revoke a particular license with respect to which grounds for revocation occur or exist but if he shall find that grounds of revocation are of general application to all offices or more than one office of the licensee he may revoke every license to which such grounds apply.
- b) Upon five days notice to the licensee by United States mail at the address set forth in the license stating the contemplated action and in general the grounds therefore and upon reasonable opportunity to be heard prior to such action the Director may suspend a licensed activity if he shall find a knowing and willful violation of the Act or Rules or refusal to comply with an order, decision or finding of the Director made pursuant to this Act has occurred.
- c) A licensee may surrender any license by delivering to the Director written notice that it thereby surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability for acts committed prior to such surrender, or affect the liability on its bond or bonds, or entitle such licensee to a return of any part of the annual license fee.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.120 Hearing Procedures

- a) Hearings
- After receipt of a written request for a hearing, the Director shall send to the respondent requesting the hearing, by certified mail, at least 10 days prior to the date set for such hearing, a Notice of Hearing. The Notice shall include the date and the time and place of the hearing to review the propriety of any administrative actions made pursuant to the Act.
- b) The Director may designate, in writing, a Hearing Officer who shall have the authority to:
- 1) Examine or permit examination of any witness under oath;
 - 2) Determine the order of appearance of all parties;
 - 3) Receive all evidence and testimony and rule on its admissibility as well as require the production of any relevant document or

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contract any debts not established prior to the execution of the contract. Projected future rents, mortgage payments, and the creating of a savings account are not considered to be debts within the meaning of the Act.

h) No advance of the licensee's funds on the debtor's customer's behalf shall be made by a licensee to any creditor or to the debtor without the customer's written consent. No advance of funds may be made as a device to extend the scheduled maturity of a contract and thereby increase fee charges to the customer. No interest may be charged on the funds advanced.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.80 Advertising

- a) Advertising shall not be false, misleading or deceptive [205 ILCS 665/13]. The use of payment charts that predict the amount or period of payment without detailed analysis of all factors involved is prohibited. No statement shall be permitted that states or implies that no financial problem is too great for the licensee to solve. No statement shall be permitted that states or implies that the licensee will use his own cash to pay the debtor's debtors accounts. All advertisements shall contain the phrase, "we do not lend money".
- b) Upon specific request by the Department, licensees shall forward to the Director Supervisor of the Consumer Credit Division the complete text of all advertising copy for which questions have been raised concerning compliance with the financial planning and management service Act.
- c) All advertising shall contain the true name and address of the licensee.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.90 Availability of Act and Rules and Regulations

A copy of the Debt Financial Planning and Management Service Act and this Part Rules pertaining to it shall be kept in each office and branch.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 140.100 Examination

- a) The Director may Department shall make an examination of the office and records of each licensee and shall charge \$100 for each examined

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witness:

- 4) Rule on objections to evidence;
- 5) Make a written report with recommendations to the Director which shall include findings of fact and conclusions of law. Findings of fact shall be based exclusively on the evidence and on matters officially noticed; and
- 6) Require any party or his attorney to provide proposed findings of fact or conclusions of law for consideration in his report.

c) General Provisions

- 1) Delivery of notice shall be deemed complete when the Notice is deposited in the U.S. mail.
- 2) A continuance shall be granted for good cause by the Hearing Officer which shall be:
 - A) In writing and signed by the respondent or his attorney, and shall state the reasons for the request.
 - B) Delivered to the Hearing Officer at least three days prior to the scheduled hearing.

For the purposes of this subsection (c)(2), good cause shall require the respondent to demonstrate real and compelling need for additional time. It shall include, but not be limited to, illness, service in the armed forces, etc.

- 3) The respondent shall bear any and all costs of the hearing.
- 4) A court reporter will be present and considered as part of the costs of the hearing.

d) Conduct of Hearings

- 1) The Hearing Officer shall open the hearing by presenting for the record his letter of authorization from the Director.
- 2) The rules of evidence and privilege as applied in civil cases in the circuit courts of this State shall be followed. The Hearing Officer may admit evidence not admissible under such rules if such evidence may be relevant to the case.
- 3) The Hearing Officer may, on his own motion or the motion of one of the parties, take notice of matters of which the circuit courts of this State may take judicial notice. Notice may be taken of generally recognized technical or scientific facts within the Department's specialized knowledge if parties are notified, before or during the hearing, and shall be afforded an opportunity to contest the material so noticed. The burden of opposing any material admitted upon notice shall be upon the party so opposing.
- 4) Failure to attend the hearing shall result in the dismissal of the respondent's petition and an entry of a default against the respondent. Within 30 days from dismissal of the respondent's petition, the respondent may petition the Hearing Officer for reconsideration if the respondent can establish that his failure to attend was caused by events beyond his control and he exercised due diligence to attend or seek a continuance.
- 5) The record of any hearing shall include:

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- A) All pleadings, and evidence received whether admitted or excluded;
- B) A statement of all matters officially noticed;
- C) All offers of proof, objections and rulings thereon;
- D) All proposed findings and exceptions;
- E) Any decision, opinion, or report by the Hearing Officer;
- F) Any evidence excluded by the Hearing Officer, even though such evidence is not used in the determination of the decision;
- G) A proceeding transcript which shall be recorded by such means as to adequately ensure the preservation of the testimony.

- 6) Within 60 days after the hearing or the receipt of all necessary documents, the Hearing Officer shall report to the Director.
- 7) Within 30 days after receiving the report of the Hearing Officer, the Director shall issue his decision, which shall be served on the respondent by registered or certified mail, return receipt requested. Copies of the Hearing Officer's report to the Director are available upon written request.

e) Petition to Reconsider

- 1) Within 30 days after receipt of the Director's decision, the respondent may petition the Director for reconsideration based upon a verified petition. An affidavit shall accompany the petition stating that the decision was against the preponderance of the evidence, was contrary to law, or was arbitrary or capricious, or is affected by newly discovered evidence not in existence at the time of the initial hearing or which could not have been discovered using due diligence at that time.
- 2) The Director shall determine within 15 days whether to reconsider the case. If the Director determines, after reading the affidavit, that one or more of the findings listed in subsection (e)(1) exists, a hearing may be held and shall be limited to only those issues raised in the petition to reconsider. If reconsideration is denied, the Director's initial decision shall be the final administrative decision of the Department.

(Source: Added at 22 Ill. Reg. _____, effective _____,)

Section 140.130 Proof of Payment

Upon completion of the contract, the licensee shall mail a statement to the debtor stating that the account has been closed and listing the name and address of each creditor paid in full and names and addresses of any creditors remaining unpaid.

(Source: Added at 22 Ill. Reg. _____, effective _____,)

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1) Heading of the Part: Sales Finance Agency Act

2) Code Citation: 38 Ill. Adm. Code 160

3) Section Numbers: Proposed Action:

160.1	Added
160.10	Amendment
160.20	Amendment
160.30	Amendment
160.40	Amendment
160.50	Amendment
160.55	Added
160.60	Amendment
160.80	Amendment
160.90	Amendment
160.100	Amendment
160.110	Amendment
160.120	Amendment
160.130	Amendment
160.140	Amendment
160.150	Amendment
160.160	Amendment
160.170	Amendment
160.180	Amendment
160.190	Amendment
160.200	Amendment
160.210	Amendment
160.220	Amendment
160.230	Amendment
160.240	Added
160.250	Added
160.260	Added

4) Statutory Authority: 205 ILCS 660/8(9)

5) A Complete Description of the Subjects and Issues Involved: This Part is being amended to reflect recent changes in the Sales Finance Agency Act. This rulemaking implements PA 90-437 (effective January 1, 1998), which includes business organizations other than natural persons, requires that a licensee have a minimum net worth of \$30,000, prescribes license suspension and revocation procedures, permits civil actions in cases of violation of the Act and permits the Director of the Department to enter a cease and desist order in cases of violation of law. The rulemaking prescribes license revocation procedures and information required of licensees, imposes recordkeeping requirements, establishes hearing procedures and permits off-site retention of records.

6) Will this rulemaking replace any emergency rulemaking currently in effect?

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Yes

7) Does this rulemaking contain an automatic repeal date? No

8) Does this rulemaking contain incorporations by reference? No

9) Are there any other proposed rulemakings pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking neither creates nor expands a State mandate.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Information and questions regarding this rulemaking shall be directed to:

M. Rose Kelly
Chief Counsel
100 W. Randolph, Suite 15-700
Chicago IL 60601
312/814-2008

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: Sales Finance Agencies

B) Reporting, bookkeeping or other procedures required for compliance: No additional requirement

C) Types of professional skills necessary for compliance: No additional skills are necessary

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendment begins on the next page:

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TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER I: DEPARTMENT OF FINANCIAL INSTITUTIONS

PART 160

SALES FINANCE AGENCY ACT

Section

160.01	Application for License
160.10	Minimum Requirements for Office Records
160.20	Transaction Register
160.30	Individual Account Cards
160.40	File of Original Papers
160.50	Cash Book
160.55	Permanent File
160.60	Alphabetical Records of Buyers, Co-Purchasers and Obligors
160.70	Payments
160.80	Delinquency Charges (Default Charges)
160.90	Cancellation and Return of Documents
160.100	Extensions--Renewals--Rebates
160.110	Hypothecation of Security Instruments
160.120	Legal Forms
160.130	Judgments
160.140	Sale of Security
160.150	Trouble File
160.160	Lien Charges
160.170	Insurance
160.180	Office and Office Hours
160.190	Advertising
160.200	Business Source and Affiliates
160.210	Examination Communications and Remittances
160.220	Credit Practices
160.230	General
160.240	Hearing Procedure
160.250	Service Contracts
160.260	Off-site Records

AUTHORITY: Implementing and authorized by Section 8(9) of the Sales Finance Agency Act (205 ILCS 660/8(9)).

SOURCE: Filed September 21, 1970; amended at 5 Ill. Reg. 1358, effective February 3, 1981; codified at 7 Ill. Reg. 11728; amended at 9 Ill. Reg. 1370, effective January 17, 1985; amended at 12 Ill. Reg. 17844, effective October 24, 1988; amended at 19 Ill. Reg. 49, effective December 22, 1994; emergency amendment at 22 Ill. Reg. 1543, effective January 2, 1998; amended at 22 Ill. Reg. _____, effective _____.

Section 160.01 Application for license

- a) Every licensee shall keep the following records or their equivalent:
- 1) Transaction register.

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- a) An application for a license must be in writing, under oath, and in the form the Director prescribes. The application shall contain the following:

- 1) The name of the applicant and the address of the proposed place of business.
- 2) The form of business organization of the applicant, including:
 - A) a copy of its filed articles of incorporation;
 - B) a copy of the filed articles of organization, if the applicant is a limited liability company;
 - C) a certified statement of the ownership of the partnership and any subsequent changes thereto, if the applicant is a partnership.
- 3) The name, business and home address, credit report and a chronological summary of the business experience, material litigation history, and felony convictions over the preceding 10 years of:
 - A) the proprietor, if the applicant is an individual;
 - B) every partner, if the applicant is a partnership;
 - C) President, Secretary, Executive and Senior Vice Presidents, Directors and individuals owning more than 25% of the corporate stock, if the applicant is a corporation; and
 - D) the manager, if the applicant is a limited liability company.
- 4) The licensee shall not submit the information required in subsections (a)(2) and (3) of this Section, if the licensee has previously submitted the information to the Department in a previous license application within the last 5 years and there have been no material changes, unless requested to by the Director.
- 5) A list of all states in which the applicant is licensed as a lender or sales finance agency and whether the license(s) of the applicant has ever been withdrawn, refused, cancelled or suspended in any other state, with full details.
- 6) Information Form.
- 7) The applicable fees as required by the Act.
- 8) Any additional information the Director considers necessary.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 160.10 Minimum Requirements for Office Records

- a) Every licensee shall keep the following records or their equivalent:
- 1) Transaction register.

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- 2) Individual accounts cards of all obligors.
3) File of all original papers or, where prior written approval has been obtained from the Department, copies which have been reproduced in any medium or format which accurately reproduces the original papers.

- 4) Cash Book.
5) Alphabetical record of all buyers, co-purchasers, and obligors on all obligations.

- 6) Permanent file.

- b) Records pertaining to the conduct of business regulated by the Sales Finance Agency Act shall be kept at the licensed office, separate or readily identifiable from other types of business conducted in the office of the licensee. ~~Combination-forms-and-special-systems-may-be used-if-in-accordance-with-standard-accounting-procedures.~~

- c) ~~When a transaction is prepaid in full, the account card shall show the date of prepayment, the amount paid to discharge the debt, the amount of the rebate for each of insurance and finance charge, if any, and any deduction from the rebate for previously earned but uncollected delinquency charges and insurance.~~
d) ~~The card shall contain the date and amount of all late charges and extension charges collected indicating the period for which said charges are applicable.~~

- e) ~~If payment is made in any other way than in the ordinary course of business, it shall be so designated. (For example, payment by a third party, insurance claim or sale of collateral security.)~~
f) ~~If receivables are sold, the individual account cards or copies thereof for such receivables shall show the name of the purchaser and the date of such sale.~~
g) ~~No erasures whatsoever may be made in the payment or charge section of any account card. In case of error, a line shall be drawn in ink through the improper entry and the correct entry made on the following line. The entries on the card shall correspond with the receipts given the borrower.~~
h) ~~Every licensee shall preserve the account card for at least two years after final entry.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.20 Transaction Register

- a) The Transaction Register shall contain the original entry and be a permanent record. It shall show for every transaction the account number, date of transaction, nature of security, type and cost of insurance and amount of fees.

- b) It shall show the amount financed, finance charge, annual percentage rate, itemization of all other charges not specified in subsection paragraph (a), schedule of payments, and total of payments which will include all charges.

- c) The Register shall be kept numerically by number of transactions in the order made, and shall have proper headings for the items required.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.30 Individual Account Cards

An individual account card shall be kept for each transaction or appropriate combination of records with respect to each finance agreement, ~~amount-of~~

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contract which the licensee acquires pursuant to Section 2(a) of the Sales Finance Agency Act.

- a) ~~Such account card or records shall show the name and address of buyer, names of co-purchasers or obligors, transaction number, date of transaction, nature of security, type and cost of insurance, official fees charged and paid, amount and date of each installment due and paid; the schedule of installments as set forth in the instrument purchased, total finance charge where applicable, the name of holder if the instrument is hypothecated.~~

- b) ~~The card shall also show the date of purchase by licensee, the name of the seller, the amount financed, the amount and description of all charges to debtor not specified above and total of payments including all charges.~~

- c) ~~When a transaction is prepaid in full, the account card shall show the date of prepayment, the amount paid to discharge the debt, the amount of the rebate for each of insurance and finance charge, if any, and any deduction from the rebate for previously earned but uncollected delinquency charges and insurance.~~

- d) ~~The card shall contain the date and amount of all late charges and extension charges collected indicating the period for which said charges are applicable.~~

- e) ~~If payment is made in any other way than in the ordinary course of business, it shall be so designated. (For example, payment by a third party, insurance claim or sale of collateral security.)~~

- f) ~~If receivables are sold, the individual account cards or copies thereof for such receivables shall show the name of the purchaser and the date of such sale.~~

- g) ~~No erasures whatsoever may be made in the payment or charge section of any account card. In case of error, a line shall be drawn in ink through the improper entry and the correct entry made on the following line. The entries on the card shall correspond with the receipts given the borrower.~~

- h) ~~Every licensee shall preserve the account card for at least two years after final entry.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.40 File of Original Papers

- a) A separate file (such as an envelope or folder) shall be maintained for each obligor. Each such file shall contain the contract, security agreement or financing statement, wage assignment, evidence of compliance with the requirements of the Federal Consumer Credit Protection Act ~~(15--U.S.C.--1601--et--seq.)~~ and all other instruments which are evidence of indebtedness or security pertaining to the transaction, except when said documents are in the custody of a court or of an agent for collection, or are hypothecated or sold as herein

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provided. Other papers relating to the obligor or his debt may be kept in the same or a separate file in the same office. Where prior written approval has been obtained from the Department, a licensee may maintain these files in any medium or format which accurately reproduces original documents or papers.

b) All legal instruments evidencing ~~bearing--evidence-of~~ indebtedness taken in connection with a transaction and executed by an obligor, including a copy of The Disclosure Statement, if a separate instrument, must bear the transaction number.

c) Except for the account number, no licensees shall take the assignment or purchase of any instruments in which the blanks are not filled in completely. All spaces or sections not used in the preparation of legal documents shall be ruled out or designated as "none" or "n/a". Any amendments to the contract shall be signed by the obligor and creditor or assignee.

d) The name and address of the original seller must be incorporated into or appear on all legal instruments taken from an obligor and acquired by a licensee.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.50 Cash Book

a) All receipts and disbursements of any amount whatsoever shall be entered on the day they occur in the cash book or equivalent record. Separate headings shall be provided for installments, charges, and for official fees collected and disbursed, and for amounts received and disbursed for any type of insurance coverage.

b) The cash book shall be a permanent record of all details of income and disbursements including all entries to individual accounts of obligors.

c) For precomputed contracts, payments **Payments** applied to a transaction may be shown as a total sum and need not be itemized between amount financed and finance charges, but additional charges collected for delinquency shall be itemized or otherwise separately indicated.

d) For simple interest contracts, payments applied to a transaction must be itemized between principal, interest, other charges and additional charges collected for delinquency.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.55 Permanent File

Each licensee shall maintain a permanent file which includes the following:

a) A copy of all correspondence sent to or received from the Department within the past 24 months.

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b) A copy of the last two examination exception reports and any related correspondence.

c) A copy of the Sales Finance Agency Act, a copy of this Part, the Motor Vehicle Retail Installment Sales Act and the Retail Installment Sales Act.

d) A list of Business Source and Affiliates as prescribed in Section 160.200 of this Part.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 160.60 Alphabetical Record of Buyers, Co-Purchasers and Obligors

The alphabetical record shall show the name of each buyer, co-buyer, co-purchaser and obligor who is currently indebted to the licensee, together with sufficient information to locate the account card.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.80 Delinquency Charges (Default Charges)

a) All delinquency charges (Default Charges) shall comply with the requirements and provisions of the applicable statute under which the contract was made. A delinquency charge may be collected if the instrument so provides, in an amount not exceeding 5% of the installment in default or \$5.00, whichever is less, when an installment is delinquent not less than 10 days. Only one charge may be made for default of any installment irrespective of the length of default. Where the contract is governed by the Retail Installment Sales Act (111c Rev. Stat. 1983 ch. 121 1/2, par. 501 et seq.) the licensee may collect in lieu of a default charge interest after default on each such installment not exceeding the highest lawful contract rate.

b) Delinquency charges may be assessed and collected but shall not be added to the contract. Earned but uncollected default charges shall be recorded as of the date the delinquent installment is received even though collected as of a later date. Where the uncollected charge is waived it shall be noted on the account card.

c) In determining the grace period, the scheduled contract payment date shall not be considered as part of the total days during which the installment is delinquent.

d) When a default charge has been collected on a delinquent installment and before such installment is paid the unpaid time balance is extended as provided in the applicable act the default charge is to be rebated or credited to the debtor's account if the extension charge is computed so as to include a charge for the period of default for which the default charge was assessed.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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Section 160.90 Cancellation and Return of Documents

All original legal documents executed by the obligor evidencing **bearing evidence--of** indebtedness shall be cancelled and returned to the obligor promptly following the renewal or payment **paid** in full **date**. Where prior written approval has been obtained from the Department and original documents are not available, a licensee shall substitute copies reproduced from any medium or format which accurately reproduces the original documents. Continuing security agreements shall **may** be retained until subsequent debts are paid in full. If an executed copy of a legal document is retained following payment in full or renewal, **to--comply--with--truth-in-lending** it must be clearly marked "PAID", "CANCELLED" or "RENEWED", indicating the date of payment or renewal. Copies clearly identified with the legend "COPY NOT NEGOTIABLE" or similar language, may be used in lieu of this requirement.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.100 Extensions--Renewals--Rebates

a) The obligor may prepay in full by cash, extension, renewal or otherwise at any time before maturity and shall be entitled to a refund in accordance with Section 7 of the Motor Vehicle Retail Installment Sales Act (1981 Rev. Stat. ch. 121-1/27--par. 567) **where--a motor vehicle is the subject of a Retail Installment Contract and or in accordance with Section 7 of the Retail Installment Sales Act, (1981 Rev. Stat. ch. 121-1/27--par. 567) where the subject of the sale is as described in Section 2-1 of said Act whichever is applicable.**

b) The holder of the contract may, if the obligor requests, renew or extend the maturity date of all or part of the contract for which the licensee may charge and collect a refinance charge in accordance with Section 20 of the Retail Installment Sales Act or Section 19 of the Motor Vehicle Retail Installment Sales Act, whichever is applicable.

c) If the contract provides for precomputed interest, such a charge may be calculated as the difference between the rebate that would be required for prepayment in full as of the scheduled due date of the deferred installment and the rebate which would be required for prepayment in full as of one month prior to said date.

d) If the contract provides for precomputed interest, the "Sum of Digits" or "Rule of 78ths" is **system--forms** the basis for such calculation. The rebate for prepayment in full after extension charges have been levied must be larger than the rebate which otherwise would be required. For the purpose of computing rebates the number of elapsed months must be reduced by one month for each month for which an extension charge has been collected; and the number of

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months of prepayment must be increased by one month for each month for which an extension charge has been collected.

e) The licensee may not charge an acquisition cost in computing rebates on prepayment in full following extension or renewal if such cost was included as an item arriving at the net balance to be extended or renewed when the account was at any prior time renewed or extended.

f) When a contract is prepaid in full, the obligor shall **debtor--must** be advised as to the amount of the rebate of finance charge and unearned insurance premiums.

g) Any applicable acquisition costs must be subtracted from the finance charge prior to applying the "Rule of 78ths" rebate.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.110 Hypothecation of Security Instruments

a) All instruments held by licensees as evidence of indebtedness may be pledged without the prior consent of the Department, except the pledgee must provide the Department, in writing, in a form satisfactory to the Department that the Director or his representatives may at any time examine the pledged instruments, and such pledgee shall also agree, in writing, to provide suitable working quarters for the examiner of the Department to make such examination.

b) Should the records or documents of the accounts pledged be located outside of the geographic boundaries of the State of Illinois, the licensee must pay all of the expense of examination by the representatives of this Department, **including--travel--time--meals--and--lodging--for--each--examiner--conducting--said--examination in this part.**

c) Each instrument hypothecated must bear the following endorsement: "This instrument is non-negotiable in form but may be pledged as collateral security. If so pledged, any payment made to the pledgor, upon the debt evidenced by this obligation, shall be considered and construed as a payment on this instrument, the same as though it were still in the possession and under the control of the pledgor named herein; and the pledgee holding this instrument as collateral security hereby makes said pledgor its agent to accept and receive payments hereon, either of installments or charges."

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.120 Legal Forms

a) All forms of contracts and assignments of wages furnished by the

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licensee to a retail seller in connection with a regulated transaction under the Sales Finance Agency Act are required to be submitted to the Department for review. Where the licensee or affiliate is engaged in the same business and licensed by this Department to engage in such business in another location, the use of identical forms in the new location is ~~shall not~~ required to be submitted to the Department ~~require review~~. Notice of intent to use identical forms (change of name excepted) should be provided the Department by the licensee.

b) 2) Should the licensee at any time following submission of the forms for review, modify, change or enlarge the forms previously submitted, the forms as modified, changed or enlarged must shall be submitted to the Department for review.

3) The Department may not notify the licensee within fifteen days following receipt of such forms concerning any objectionable feature therein contained. Pending review, the licensee shall have unrestricted right to furnish retailers the said forms. No implication of approval or disapproval by the Department of any form filed with it and reviewed is to result from objections received from the Department or its absence of the Department relative thereto.

b) Standard forms furnished by the Department shall be used in the following cases:

- 1) Application for original license;
- 2) Application for annual renewal of license;
- c) 3) Change of location.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.130 Judgments

a) When an account has been reduced to judgment, the face of the account card must show the amount and date of the judgment. When judgment is taken before maturity, the same rebate of finance charge is required that would be required for prepayment in full on the date of the entry of judgment.

b) All payments received shall be applied to the judgment balance and be properly identified. The rate of interest charged on a judgment balance must comply with current applicable statutes. No higher rate of interest or charge shall be assessed or accepted.

c) The files of the licensee must contain statements signed by the attorney of record, judge or magistrate or clerk of the court setting forth the following items:

- 1) Date of judgment.
- 2) Copy of judgment
- 3) Judgment debtors' names.
- 3) 4) Date suit was filed.
- 5) Nature of the suit.

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6) Name and location of the court.

4) 7) The amount of principal and the amount of charges for which judgment was taken.

5) 8) Attorneys fees if permitted by the terms of the instrument.

6) 9) Court costs.

7) 10) Amount of the judgment.

11) Judgment by:

- A) Default;
- B) Confession;
- C) Foreclosure;
- D) Contested suit;

12) Disposition of the case.

d) Court costs charged to the obligor borrower must be itemized and verified by receipts received by the obligor.

e) Where property is foreclosed or sold pursuant to any judgment or judicial process, the file must contain a copy of the decree of judicial sale.

f) If records related to the judgment are kept off-site, the licensee shall make these documents available from that site or return the records to the licensed location within 72 hours after the Department's request.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.140 Sale of Security

The following regulations shall be observed in the sale of security:

- a) When part or all of the collateral security is repossessed and/or sold, the fact must be noted on the account card.
- b) All credits from proceeds of the sale must be properly identified whether by state of security or otherwise.
- c) The files of the licensee must contain:
 - 1) When possession of the security was obtained, and whether by voluntary or involuntary action.
 - 2) By when and how sold to public or private sale and date of sale.
 - 3) Evidence of compliance by licensee with the requirements provisions of Article 9 of the Uniform Commercial Code- Secured Transactions (111 Rev. Stat. 1981, ch. 26, par. 9-101-e-sec. 7, Section 26-01, the Motor Vehicle Retail Installment Sales Act, Section 26-01 of the Retail Installment Sales Act and related statutes where applicable in the sale and disposition by a secured party of collateral after default, including copies of all notices directed to the obligor debtor or debtors as required therein or as required by any other law, statute or regulation, State or Federal.
- 4) A report of condition of property at time of retaking.
- 5) Copy of notice of intended sale which must contain notice of

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default, balance owing, date, place and time of public intended sale or the date after which a private sale may occur and if public or private. Such notice must be forwarded to the obligor debtor or debtors, if more than one, by certified mail to the last known address of the obligor debtor or debtors.

6) Signed receipts from the purchasers (or from the auctioneer if the sale is public), describing the property purchased, showing the amount paid for same and the name of the obligor debtor who executed the security agreement, and copies of the competitive bids if the sale is private.

7) Copy of the statement of final accounting, original of which shall must have been sent to the obligor debtor after the sale, which statement shall set forth the sale price of the property, itemization of the costs of sale, and the deficiency balance due on the account, if any.

8) When the property is abandoned and the address of the obligor debtor or debtors is uncertain or unknown, notice of sale and a statement of final accounting shall be sent to the last known address by registered or certified mail, return receipt requested.

d) The following is the form or its equivalent to be used when collateral is sold:

STATE CITY DATE

This is to acknowledge that the undersigned did purchase for the sum of \$ _____ from the holder of a certain security agreement (Retail Installment Contract or Mortgage) executed by _____ and _____ on the _____ day of _____, 19 _____, the following described property: _____ (Describe fully)

SIGNATURE OF PURCHASER

e) In connection with the sale after default of collateral property given as security for a debt, the licensee shall make only such charges for expenses expense incurred as are permitted by the applicable provisions of the Illinois statutes which charges must be reasonable, taking into consideration the nature of the security, the circumstances surrounding retaking and the sale, the fair market value of the collateral and the amount of the indebtedness. Such charges must be substantiated by paid receipts. The licensee may charge any necessary expense in connection with the retaking and sale of

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collateral chattels, including all expense incurred for by-way-of required repairs to restore the collateral chattels to a saleable condition, and for mechanic's liens, storage liens, and similar liens occasioned by the obligor debtor.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.150 Trouble File

A separate list or file shall be kept as a record of all sales pertaining to foreclosures, reposessions, death claims on account of credit life insurance, and judgments.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.160 Lien Charges

All official fees paid for the purpose of perfecting or releasing a security interest in property which may be the subject of a sale contract may be collected from the obligor debtor.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.170 Insurance

a) Credit Life, Health and Accident: Licensees and Sellers, at their option, may provide, but not require, decreasing term credit life insurance and credit accident and health insurance and make a charge therefor to the obligor buyer, providing the obligor buyer has indicated in a specific dated and separately signed statement that the coverage is not required by seller and obligor buyer desires the insurance coverage which is included as a charge or paid by the obligor. It shall comply with Article IX 1/2 of the Illinois Insurance Code (Ill. Rev. Stat. 1987, ch. 73, par. 767-51 et seq.) as approved and amended, and all lawful requirements of the Director of Insurance related thereto.

1) The licensee may provide joint credit life or joint credit accident and health insurance if both insured are obligated for the debt.

2) Charges and Rates: A) The maximum charge for credit life and credit accident and health insurance shall be as prescribed by the State of Illinois Department of Insurance (150 Ill. Adm. Code 951-507).

B) Each licensee shall deliver to the Department of Insurance a schedule of the rates to be charged obligors.

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together--with--copies-of-policies-to-be-issued-as-approved by-the-department-of-insurance--the-terms-and-conditions-of the-policies-shall-be-both-fair-and-reasonable.

3) When an account is prepaid in full ~~except-by-the-insurance~~ the obligor ~~debtor~~ shall ~~must~~ receive a refund of the unearned credit life, health and accident insurance charges. The required refund shall be computed according to the Rule of 78ths or the Sum of the Digits Method. When the refund of either credit life or credit accident and health premiums is less than \$1.00, no refund is required.

4) If the obligor dies during the term of the transaction, the life insurance, if any, shall pay the benefits due according to the terms of the policy. The obligor's ~~obligors~~ estate ~~or-next-of-kin~~ shall be paid the difference ~~amount-due-if-any~~ between the net unpaid balance and the insurance benefit paid. Evidence of this payment shall be maintained by the licensee.

5) For death claims on account of credit life insurance, the ~~the licensee-shall-keep-in-its-office-a-separate-record-of-accounts by-the-examiner--the~~ account cards shall indicate the date of death and the refunds of finance charge and unearned insurance premiums paid to the ~~next-of-kin-or-estate~~. The refund check or voucher number shall be available on demand.

b) Property Insurance:

1) Insurance against loss or damage to property, or liability arising out of ownership may be required of an obligor by the licensee.

2) The amount of insurance shall be only in the amount sufficient to cover the cash price of the item ~~or-items~~ being financed.

c) ~~General--All~~ insurance provided by a licensee for ~~an~~ obligor ~~buyer~~ must be issued by insurance companies licensed to do business in the State of Illinois and in full compliance with the applicable provisions of the Illinois Insurance Code and the Rules of the Department of Insurance.

1) No obligor shall be required to purchase any policy of insurance from any ~~certain~~ company, agent, broker or person as a condition precedent to the extension or renewal of an obligation.

2) Insurance for a period less than the full term may be agreed upon between the parties which agreement may be a part of the contract or separate instrument.

3) No licensee shall decline new or existing insurance which meets the standards set forth in the law, or ~~not~~ prevent any obligor from obtaining insurance coverage from other sources.

If such insurance is included in a transaction by the seller ~~as agent~~, the licensee shall upon prepayment by the obligor notify the obligor and seller of the possibility of rebate due by reason of such prepayment and the amount of rebate so due.

4) It shall be the licensee's responsibility to explain clearly to the obligor the type, cost, benefits and limitations of any

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insurance requested by licensee after acquisition of the account. 5) The licensee shall also deliver or cause to be delivered to the obligor a copy of the policy, or policies, certificate, or other evidence thereof acquired by the licensee in connection with the indebtedness.

d) Credit life and credit accident and health insurance provided by a licensee may be cancelled within 15 days after of the date of the loan by written request of all parties to the obligation. In the event of such cancellation, the entire premium cost, if any, shall be refunded to the obligor(s) and such insurance shall then be void from its inception.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.180 Office and Office Hours

Every licensee shall maintain a place of business to which the general public shall have free access and where all obligations ~~entered-into~~ shall be payable.

a) Except as authorized by the Department, each licensed office shall be open not less than three consecutive hours, between 8:00 A.M. and 6:00 P.M. on every business day, except Saturdays, Sundays and legal holidays, during the term of the license, and the licensee shall file with the Department a schedule of the hours during which he or it elects to keep such office open, provided that any licensee may keep his or its office open for any period he or it sees fit, in addition to the hours listed in such schedule.

b) Whenever a licensee desires to change the schedule of hours during which the ~~his-or-its~~ office shall remain open, the licensee ~~then-on file-with-the-department-he-or-it~~ may do so upon filing with the Department a new schedule setting forth the changes ~~such-change-of time at least three days before the such change shall go into effect.~~ The schedule ~~Schedule~~ of hours shall be prominently displayed in the licensee's place of business ~~of-the-licensee~~.

c) If any payment shall be due on any obligation to such licensee on any closed day, then such payment shall be considered of for all purposes, including the computation of interest or charges, as having been received on any closed day, if such payment shall be received, whether through the mails or otherwise, at any time before the closing of business on the next regular business day following such closed day.

d) The license of each licensee and the license renewal certificate ~~Annual-Renewal-Fee-Renewal-Certificate~~ shall be prominently displayed ~~and-be-made-available-for-easy-reading-by-the-public~~ in the licensee's place of business ~~of-the-licensee~~.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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~~as referred to in the Sales Finance Agency Act; the foregoing may be maintained in either the principal office of each licensed office.~~

- c) The name of any entity in which the licensee has a 50% or greater ownership interest.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.210 Examination Communications and Remittances

- a) Licensees shall forward all examination remittances to the Department of Financial Institutions at any address designated by the Director. ~~All licensees shall address all communications to and forward all remittances to Division of Consumer Credit, Department of Financial Institutions, 160 North La Salle Street, Chicago, Illinois 60601.~~
- b) All fees and charges shall be remitted in the form of a check, draft or money order to the order of "DIRECTOR OF FINANCIAL INSTITUTIONS".

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.220 Credit Practices

No licensee while collecting or attempting to collect an alleged debt shall engage in any of the following acts:

- a) Using or threatening to use force or violence to cause physical harm to an obligor ~~a debtor~~, his family or his property.
- b) Threatening arrest or criminal prosecution when no basis for such action lawfully exists.
- c) Threatening the seizure, attachment and sale of an obligor's property when such action can only be taken pursuant to court order unless disclosure is made that prior court proceedings are required.
- d) Disclosing or threatening to disclose information adversely affecting an obligor's reputation for credit worthiness with knowledge or reason to know such information is false.
- e) Threatening to initiate or initiating communication with an obligor's employer unless there has been a default in the payment of the obligation and at least 5 days prior written notice to the last known address of the obligor of the intent to communicate with the employer and except as expressly permitted by statute or court order.
- f) Communicating or threatening to communicate with an obligor or his family with such unreasonable frequency as to constitute harassment, or at times reasonably considered to be unusual hours or known to be inconvenient.
- g) Using profane, obscene or abusive language with an obligor or his family.
- h) Disclosing or threatening to disclose information relating to an obligor's indebtedness to any other person except when such other

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Section 160.190 Advertising

- a) No licensee shall represent either orally or in writing, directly or indirectly, by any means whatsoever, including but not limited to, the use of any office sign (except its duly issued license) or the use and circulation of any letterheads, billheads, blank forms, notes, receipts, certificates, circulars or any written or printed ~~or partly written or printed~~ matter ~~whatever~~ that it is licensed by or subject to the supervision of the Department, or the State of Illinois, except by use of the following phrase:

"Licensed by the State of Illinois pursuant to the Sales Finance Agency Act."

Provided, however, that the use or use and circulation of any written or printed matter containing the foregoing phrase may only be in connection with the licensee's business as a Sales Finance Agency.

- b) The Neither the licensee shall not ~~nor any parent or subsidiary corporation, or any person holding a substantial common ownership or control of both the seller and the Sales Finance Agency may advertise in a false, misleading or deceptive manner or imply or indicate that the rates or charges for loans or extensions of credit are "approved", "set", or "established" by the State of Illinois or the Department Government or any enactment.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.200 Business Source and Affiliates

The licensee shall maintain in its permanent file the following:

- a) A Each licensee shall keep a list of all entities ~~partnerships, proprietorships, and business firms of any sort with which the licensee regularly transacts business as a Sales Finance Agency. The licensee shall maintain a record of the ownership or control by the licensee or a shareholder, partner, parent corporation, holding company or monetary affiliate of the licensee of 10% or more, proprietary, stock, beneficial or monetary interest in any retail seller or lender with whom the licensee does business pursuant to the Sales Finance Agency Act.~~
- b) The name of any person or other entity that has a 10% or greater ownership interest in the licensee. ~~The licensee shall maintain a record of all owners or holders of 10% or more of the stock beneficial or monetary interest in the licensee where such owner or holder is a parent corporation or affiliate or any retail seller or lender owned, managed, and/or controlled by such owner or holder does business with the licensee, selling or conveying to the licensee retail charge agreements, retail contracts or evidence of indebtedness~~

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- person has a legitimate business need for the information.
- i) Disclosing or threatening to disclose information concerning the existence of a debt which the licensee knows to be reasonably disputed by the obligor without disclosing the fact that the debt is disputed.
 - j) Attempting or threatening to attempt enforcement of a right or remedy with knowledge or reason to know that the right or remedy does not exist.
 - k) Use of any form of communication simulating legal or judicial process which gives the appearance of being authorized, issued or approved by a governmental agency, official or attorney at law when it is not.
 - l) Use of badges, uniforms, or other indicia of any governmental agency or official except as authorized by law.
 - m) Misrepresenting the amount of the debt alleged to be owed.
 - n) Representing that an alleged debt may be increased by the addition of attorney's fees, investigation fees or any other fees or charges when there is no contractual or statutory authorization for such addition.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.230 General

- a) The licensee shall keep in the licensed office a record of all transactions purchased from or sold to another affiliated or non-affiliated licensee until examined and released by the examiner.
- b) Notary fees shall not be charged to or collected from the obligor debtor.
- c) No licensee shall take any power of attorney except to cancel any policies of insurance financed by the licensee as permitted by the Act and to receive either rebate of unearned premiums or loss payments. ~~except-to-acknowledge-the-execution-of-an-instrument-or-to-confess judgment.~~
- d) All books, records, files and account cards required by applicable State and Federal statutes and regulations ~~the-Sales-Finance-Agency Act--the-Federal-Consumer-Credit-Protection-Act-and-the-Rules-of-the Department~~ shall at all times be kept current ~~up-to-date~~.
- e) No licensee shall transact business licensed under the ~~Sales-Finance Agency Act~~ under any other name or at any other place of business than that named in the license.
- f) Examination.
 - 1) The Department may examine all records and investigate any ~~ex-ait~~ transactions in any office of the licensee operating under the ~~Sales-Finance-Agency Act~~, or at any other location where records or instruments of the licensee are situated to determine that the business complies with all applicable laws and regulations and shall charge the licensee \$100 \$100-00 for each examiner ~~man~~ day or portion thereof required to make and complete an examination or investigation of such licensee.

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- 2) The examination of the books and records of the licensee may be conducted concurrently with the examination of any other business conducted by the licensee which is regulated or licensed by the Department. A separate charge shall be made for each examiner ~~man~~ day or portion thereof required to complete each examination as to each regulated or licensed business.
- 3) Should any part of the records or documents be located outside of the geographic boundaries of the State of Illinois, the licensee shall ~~must~~ pay all the expenses of examination by ~~the representatives-of~~ the Department, ~~including--travel--travel time--means--and--lodging--for--each--examiner--conducting--said examination--in-addition-to-the-examination-fee--above-specified.~~
- g) Licensees ~~and-these-otherwise-regulated-by-the-Sales-Finance-Agency Act~~ shall file with the Department such written reports as the Department may from time to time consider necessary ~~to-the-proper administration-of-the-Sales-Finance-Agency-Act.~~
- h) No licensee shall ~~may~~ knowingly purchase contracts from one who does either of the following:
 - 1) In the course of the seller's business, employs a chain referral sales technique prohibited by ~~Section-2-A-of~~ the Consumer Fraud and Deceptive Business Practices Act ~~(411-Rev-Stat--1981--Ch-121-1/2-par--261-et-seq--)~~.
 - 2) Uses a contract, a security instrument or other document ~~which-is~~ not in conformance with the provisions of the Retail Installment Sales Act, Motor Vehicle Retail Installment Sales Act, the Federal Consumer Protection Act and all other applicable State ~~related-illinois~~ and Federal statutes Statutes and regulations where-the-same-are-applicable.
- i) Whenever a licensee changes his place of business to a location other than that set forth in his license ~~and-the-new-location-is-in-the-same county~~, he shall submit his license to the Department for change of address ~~ten-10~~ days before he intends to occupy new quarters. The relocation ~~removal~~ fee of \$50 \$25-00 shall accompany the license. If the new location relocation is not within the same county, the licensee shall follow the same procedure as stated above. ~~a-new license--must-be-obtained--the-application-and-fee-for-which-shall-be as-provided-in-Section-5-of-the-Sales-Finance-Agency-Act.~~
- j) Except as provided herein and as contained in the ~~Sales-Finance-Agency Act~~, the licensee may not charge the obligor debtor a loan fee, points, finders fee, service fee, transaction fee, activity fee, appraisal fee, investigation fee, credit report form or any such similar charge or fee.
- k) ~~Each--licensed-office--shall-have-on-file-or-accessible-for-reference current-copies-of-the-Sales-Finance-Agency-Act--the-Rules-of--this Department--pertaining--to--said-Act--the-Motor-Vehicle-Retail Installment-Sales-Act--the-Retail-Installment-Sales-Act--and--all Federal-laws-and-Regulations-pertaining-to-the-Federal-Consumer-Credit Protection-Act-applicable-to-the-conduct-of-business-by-the-licensee-~~

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- 1) When a licensee owns a substantial interest in the business of a retail seller from whom such licensee purchases a contract, agreement or other evidence of indebtedness such document shall clearly reflect such relationship in the following language:

"The retail buyer hereunder has been informed by the retail seller that his contract will be sold and assigned by the retail seller to, _____, (a licensed Sales Finance Agency) and that the said Sales Finance Agency has a substantial interest in the business of the retail seller and that pursuant to law the retail buyer may assert all defenses equally against the retail seller and said _____, Sales Finance Agency."

- 2) The foregoing legend shall be printed, typed or otherwise placed on the sales contract, agreement or other evidence of indebtedness, in a size and style equal to 8 point bold type.

m) Pursuant to Section 9.1 of the Sales Finance Agency Act, request for a hearing subsequent to an order of denial of a license shall be accompanied by a surety in which the applicant shall be the obligor in the amount of \$500 guaranteeing payment of costs of such hearing. This surety may be in the form of a bond, deposit in cash, or certified check payable to the Director of the Department of Financial Institutions, and shall be returned to the petitioner or proof of payment of costs. If costs are not paid within 28 days of the conclusion of the hearing, the Director may authorize their payment from the surety, returning any balance to the petitioner. No licensee shall discriminate against any applicant on the basis of sex or marital status with respect to any aspect of a credit transaction.

- l) All notices by the Department required under the Act or this Part shall be deemed to be served when a copy is deposited in the United States mail.

m) All applications, forms, and any other documents required to be filed or submitted under the Act or this Part shall be verified as to their truth and accuracy.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

Section 160.240 Hearing Procedures

a) Hearings

After receipt of a written request for a hearing, the Director shall send to the respondent requesting the hearing, by certified mail, at least 10 days prior to the date set for such hearing, a Notice of Hearing. The Notice shall include the date and the time and place of

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the hearing to review the propriety of any administrative actions made pursuant to the Act.

- b) The Director may designate, in writing, a Hearing Officer who shall have the authority to:

- 1) Examine or permit examination of any witness under oath;
- 2) Determine the order of appearance of all parties;
- 3) Receive all evidence and testimony and rule on its admissibility as well as require the production of any relevant document or witness;
- 4) Rule on objections to evidence;
- 5) Make a written report with recommendations to the Director which shall include findings of fact and conclusions of law. Findings of fact shall be based exclusively on the evidence and on matters officially noticed; and

- 6) Require any party or his attorney to provide proposed findings of fact or conclusions of law for consideration in his report.

c) General Provisions

- 1) Delivery of notice shall be deemed complete when the Notice is deposited in the U.S. mail.
- 2) A continuance shall be granted for good cause by the Hearing Officer which shall be:

A) In writing and signed by the respondent or his attorney and shall state the reasons for the request.

B) Delivered to the Hearing Officer at least three days prior to the scheduled hearing.

For the purposes of this subsection (c)(2), good cause shall require the respondent to demonstrate real and compelling need for additional time. It shall include, but not be limited to, illness, service in the armed forces, etc.

- 3) The respondent shall bear any and all costs of the hearing.
- 4) A court reporter will be present and considered as part of the costs of the hearing.

d) Conduct of Hearings

- 1) The Hearing Officer shall open the hearing by presenting for the record his letter of authorization from the Director.
- 2) The rules of evidence and privilege as applied in civil cases in the circuit courts of this State shall be followed. The Hearing Officer may admit evidence not admissible under such rules if such evidence may be relevant to the case.

The Hearing Officer may, on his own motion or the motion of one of the parties, take notice of matters of which the circuit courts of this State may take judicial notice. Notice may be taken of generally recognized technical or scientific facts within the Department's specialized knowledge if parties are notified, before or during the hearing, and shall be afforded an opportunity to contest the material so noticed. The burden of opposing any material admitted upon notice shall be upon the party so opposing.

- 3) Failure to attend the hearing shall result in the dismissal of

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the respondent's petition and an entry of a default against the respondent. Within 30 days from dismissal of the respondent's petition, the respondent may petition the Hearing Officer for reconsideration if the respondent can establish that his failure to attend was caused by events beyond his control and he exercised due diligence to attend or seek a continuance.

5) The record of any hearing shall include:

- A) All pleadings, and evidence received whether admitted or excluded;
- B) A statement of all matters officially noticed;
- C) All offers of proof, objections and rulings thereon;
- D) All proposed findings and exceptions;
- E) Any decision, opinion, or report by the Hearing Officer;
- F) Any evidence excluded by the Hearing Officer, even though such evidence is not used in the determination of the decision;

G) A proceeding transcript which shall be recorded by such means as to adequately ensure the preservation of the testimony.

6) Within 60 days after the hearing or the receipt of all necessary documents, the Hearing Officer shall report to the Director.

7) Within 30 days after receiving the report of the Hearing Officer, the Director shall issue his decision, which shall be served on the respondent by registered or certified mail, return receipt requested. Copies of the Hearing Officer's report to the Director are available upon written request.

e) Petition to Reconsider

1) Within 30 days after receipt of the Director's decision, the respondent may petition the Director for reconsideration based upon a verified petition. An affidavit shall accompany the petition stating that the decision was against the preponderance of the evidence, was contrary to law, or was arbitrary or capricious, or is affected by newly discovered evidence not in existence at the time of the initial hearing or which could not have been discovered using due diligence at that time.

2) The Director shall determine within 15 days whether to reconsider the case. If the Director determines, after reading the affidavit, that one or more of the findings listed in subsection (e)(1) exists a hearing may be held and shall be limited to only those issues raised in the petition to reconsider. If reconsideration is denied, the Director's initial decision shall be the final administrative decision of the Department.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 160.250 Servicing of Contracts

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Upon prior approval of the Director, the licensee may contract for servicing of accounts. This request shall be in writing and include the following:

- a) Name and address of proposed servicer
- b) Executed contract between licensee and servicer
- c) Contact person and telephone number of the servicer
- d) The licensee shall make all books, records and account information readily available for examination by the Department
- e) The licensee shall pay all examination expenses
- f) Written consent of servicer for the Department to conduct its examination.

(Source: Added at 22 Ill. Reg. _____, effective _____)

Section 160.260 Off-site Records

Upon prior written approval of the Director a licensee may retain records at a location other than the licensed facility. This request shall be in writing and include the following:

- a) Address of proposed off-site location.
- b) Contact person and telephone number at the proposed off-site location.
- c) Statement that all books, records and account information will be made available within 72 hours after the Department's request at either the licensed facility or the off-site location.
- d) At the Director's discretion, an examination may be conducted at either the licensed facility or the off-site facility.
- e) The licensee shall pay for all examination expenses.

(Source: Added at 22 Ill. Reg. _____, effective _____)

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1) Heading of the Part: Licensing of Radon Detection and Mitigation Services2) Code Citation: 32 Ill. Adm. Code 4273) Section Number: Proposed Action:

422.10 New Section
 422.20 New Section
 422.30 New Section
 422.40 New Section
 422.45 New Section
 422.50 New Section
 422.60 New Section
 422.70 New Section
 422.80 New Section
 422.85 New Section
 422.90 New Section
 422.100 New Section
 422.110 New Section
 422.120 New Section
 422.130 New Section
 422.140 New Section
 422.150 New Section
 Appendix A New Section
 Appendix B New Section
 Appendix C New Section

4) Statutory Authority: Implementing and authorized by the Radon Industry Licensing Act [420 ILCS 44] (P.A. 90-262, effective July 30, 1997)

5) A Complete Description of the Subjects and Issues Involved: The Department is proposing this rule to replace the rule entitled: Registration of Radon Detection and Mitigation Services, codified at 32 Ill. Adm. Code 420. The Radon Industry Licensing Act requires that persons who provide radon detection or mitigation services must be licensed by the Department. The scope of the licensing program is intended to cover those who sell devices or perform services for compensation to detect the presence of radon, perform laboratory analysis or perform services to reduce the radon concentrations in the indoor atmosphere. This rule will provide: (1) minimum qualifications for licensure; (2) application and inspection fee schedules; (3) measurement protocols; (4) mitigation standards; (5) quality assurance requirements; (6) disciplinary action; and (7) continuing education requirements. On October 1, 1997, the Department provided an Advanced Notice of Rulemaking and Request for Comment from the regulated community. The Department has incorporated into this rulemaking a number of recommendations received from the regulated community.

6) Will this proposed rule replace an emergency rule currently in effect?

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Yes

7) Does this rulemaking contain an automatic repeal date? No8) Does this proposed rule contain Incorporations by reference? Yes9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: The requirements imposed by the proposed rulemaking are not expected to require local governments to establish, expand, or modify their activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on this proposed rulemaking may be submitted in writing for a period of 45 days following publication of this notice. The Department will consider fully all written comments on this proposed rulemaking submitted during the 45 day comment period. Comments should be submitted to:

Thomas J. Carlisle
 Senior Staff Attorney
 Department of Nuclear Safety
 1035 Outer Park Drive
 Springfield, IL 62704
 (217) 785-9884 (voice)
 (217) 782-6133 (TDD)

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: The Department believes that these rules may affect small businesses that provide radon detection and mitigation services.

B) Reporting, bookkeeping or other procedures required for compliance: Section 422.50 outlines the application procedures that need to be followed by persons seeking licensure. Section 422.60 sets forth the requirements for licensure. Continuing Education requirements are detailed in Section 422.80. Section 422.85 describes the process by which the Department will approve radon courses and Section 422.110 sets forth the reporting requirements for licensees.

C) Types of professional skills necessary for compliance: In order to comply with the licensing requirements of this Part, an individual will have to be skilled in the performance of radon measurement or mitigation. Persons, other than individuals, e.g., firms who perform radon laboratory services, will also need skilled radon mitigation

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workers in order to comply with the provisions of this Part.

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Rules begin on the next page:

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NOTICE OF PROPOSED RULE(S)

TITLE 32: ENERGY

CHAPTER II: DEPARTMENT OF NUCLEAR SAFETY

SUBCHAPTER b: RADIATION PROTECTION

PART 422

LICENSING OF RADON DETECTION AND MITIGATION SERVICES

Section

422.10 Purpose and Scope

422.20 Definitions

422.30 Exemptions from Licensure

422.40 Categories of Licenses

422.45 Practice by Out-of-State Licensees

422.50 Application for Licenses

422.60 Requirements for Issuance or Renewal of Licenses

422.70 Conditions of License

422.80 Continuing Education Requirements

422.85 Department Approval of Radon Courses

422.90 Implementation

422.100 License Fees

422.110 Reports to the Department

422.120 Suspension and Revocation of Licensure

422.130 Measurement Protocol

422.140 Device Protocol

422.150 Mitigation Standard

APPENDIX A Recommended Testing Strategy for Determining the Need for Mitigation in Homes

APPENDIX B Radon and Radon Decay Product Measurement Method Categories

APPENDIX C Sample Notice

AUTHORITY: Implementing and authorized by the Radon Industry Licensing Act [420 ILCS 44] (see P.A. 90-262, effective July 30, 1997).

SOURCE: Emergency rule adopted at 21 Ill. Reg. 1568, effective January 1, 1998, for a maximum of 150 days; adopted at 22 Ill. Reg. _____, effective _____.

Section 422.10 Purpose and Scope

- a) This Part establishes licensing requirements for individuals who perform services to measure the presence of radon or radon progeny, and individuals who perform mitigation services to reduce the concentration of radon or radon progeny.
- b) The Part also establishes licensing requirements for laboratories that perform analysis of radon and radon progeny detection or measurement devices.
- c) Nothing in the Radon Industry Licensing Act [420 ILCS 44] or this Part shall be construed to limit or affect in any respect the practice of

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persons properly licensed under other statutes or regulations with respect to their professions.

Section 422.20 Definitions

As used in this Part:

"Act" means the Radon Industry Licensing Act [420 ILCS 44].

"Backdrafting" means a condition where the normal movement of combustion products up a flue, resulting from the buoyant forces on the hot gases, is reversed, so that the combustion products can enter the house. Backdrafting of combustion appliances (such as fireplaces and furnaces) can occur when depressurization in the house overwhelms the buoyant force on the hot gases. Backdrafting can also be caused by high air pressures or blockage at the chimney or flue termination.

"Backer Rod" means a semi-rigid foam material resembling a rope of various diameters used to fill around pipes, etc., and to assist in making a sealed penetration. For example, where a pipe is inserted through a concrete slab, a length of backer rod is jammed into the opening around the pipe. Caulking is then applied to the space above the backer rod and between the outside of the pipe and the slab opening. The purpose of the backer rod is to hold the semi-fluid caulk in place until it sets or hardens.

"Block Wall Depressurization" means a radon mitigation technique that depressurizes the void network within a block wall foundation by drawing air from inside the wall and venting it to the outside.

"Client" means the person that contracts with a radon mitigation licensee to install a radon reduction system in a building.

"Combination Foundations" means buildings constructed with more than one foundation type, e.g., basement/crawlspace or basement slab on-grade.

"Communication Test" means a diagnostic test designed to qualitatively measure the ability of a suction field and air flow to extend through the material beneath a concrete slab floor and thus evaluate the potential effectiveness of a sub-slab depressurization system. This qualitative test is commonly conducted by applying suction on a centrally located hole drilled through the concrete slab and simultaneously observing the movement of smoke downward into small holes drilled in the slab at locations separated from the central suction hole. (See also Pressure Field Extension.)

"Crawlspace Depressurization" means a radon control technique designed

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to achieve lower air pressure in the crawlspace relative to indoor air pressure by use of a fan-powered vent drawing air from within the crawlspace. (See also Mechanically Ventilated Crawlspace System.)

"Department" means the Illinois Department of Nuclear Safety.

"Diagnostic Tests" means procedures used to identify or characterize conditions within buildings that may contribute to radon entry or elevated radon levels or may provide information regarding the performance of a mitigation system.

"Drain Tile Loop" means a continuous length of drain tile or perforated pipe extending around all or part of the internal or external perimeter of a basement or crawlspace footing.

"Government Entity" means the State, a State agency, a political subdivision, or any entity of local government.

"Individual" means any human being.

"Interfere" means to adversely or potentially adversely impact the successful completion of an indoor radon measurement by changing the radon or radon progeny concentrations or altering the performance of measurement equipment or an indoor radon mitigation system installation or operation. [420 ILCS 44/15]

"Laboratory Analysis" means the act of determining radon or radon progeny concentrations in air, water, soil, or passive radon testing devices or the act of exposing radon or radon progeny devices to known concentrations of radon or radon progeny as a compensated service. [420 ILCS 44/15]

"Living Area" means any area in a building that is, or could be, adapted for human habitation whether the area is located in a basement, over a crawlspace, or situated on a slab-on-grade.

"Measurement" means any radon or radon progeny tests, laboratory analysis, or exposure in a known radon or radon progeny environment, as in a calibration chamber.

"Mechanically Ventilated Crawlspace System" means a radon control technique designed to increase ventilation within a crawlspace, achieve higher air pressure in the crawlspace relative to air pressure in the soil beneath the crawlspace, or achieve lower air pressure in the crawlspace relative to air pressure in the living spaces, by use of a fan. (See also Crawlspace Depressurization.)

"Mitigation" means the act of repairing or altering a building or

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building design for the purpose in whole or in part of reducing the concentration of radon in the indoor atmosphere. [420 ILCS 44/15]

"Mitigation System" means any system or steps designed to reduce radon concentrations in the indoor air of a building.

"Passive Monitor" means a measurement tool that does not require external power or batteries to operate, such as charcoal detectors or alpha track detectors.

"Perimeter Channel Drain" means a system for collecting water in a basement by means of a large gap or channel between the concrete floor and the wall. Collected water may flow to aggregate beneath the slot ("French Drain") or to a sump where it can be drained or pumped away.

"Person" means an individual, firm, group, association, partnership, joint venture, trust, or government agency or subdivision. [420 ILCS 44/15]

"Picrocurie per Liter (pCi/L)" means 2.2 disintegrations per minute of radioactive material per liter of air.

"Pressure Field Extension" means the distance that a pressure change is induced in the sub-slab area, measured from a single or multiple suction points. (See also Communication Test.)

"Radon (Radon Decay Products)" means a gaseous radioactive decay product of uranium or thorium. [420 ILCS 44/15]

"Radon Contractor" or "Contractor" means a person licensed to perform radon or radon progeny mitigation or to perform radon measurements to detect radon or radon progeny in an indoor atmosphere. [420 ILCS 44 15]

"Radon Progeny" means any combination of the radioactive decay products of radon. [420 ILCS 44/15]

"Re-Entrainment" means the unintended re-entry into a building of radon that is being exhausted from the vent of a radon mitigation system.

"Research" means Department-approved scientific investigation by testing and/or mitigating for radon or radon progeny.

"Soil Gas" means the gas mixture present in soil which may contain radon.

"Soil Gas Retarder" means a continuous membrane or other comparable

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material used to retard the flow of soil gases into a building.

"Stack Effect" means the overall upward movement of air inside a building that results from heated air rising and escaping through openings in the building envelope, thus causing indoor air pressure in the lower portions of a building to be lower than the pressure in the soil beneath or surrounding the building foundation.

"Sub-Membrane Depressurization" means a radon control technique designed to achieve lower air pressure in the space under a soil gas retarder membrane laid on the crawlspace floor, relative to air pressure in the crawlspace, by use of a fan-powered vent drawing air from beneath the membrane.

"Sub-Slab Depressurization (Active)" means a radon control technique designed to achieve lower sub-slab pressure relative to indoor air pressure by use of a fan-powered vent drawing air from beneath the concrete slab.

"Sub-Slab Depressurization (Passive)" means a radon control technique designed to achieve lower sub-slab air pressure relative to indoor air pressure by use of a vent pipe (without a fan) routed through the conditioned space of a building and connecting the sub-slab area to the outdoor air. This system relies primarily on the convective flow of warmed air upward in the vent to draw air from beneath the concrete slab.

"USEPA" means the United States Environmental Protection Agency.

"Working Level (WL)" means the concentration of radon progeny that will result in 130,000 million electron volts of alpha particle energy released per liter of air. Working level is a measure of radon decay product concentration in air.

"Working Level Month (WLM)" means a unit of exposure used to express the accumulated human exposure to radon decay products. It is calculated by multiplying the average working level to which a person has been exposed by the number of hours exposed and dividing the product by 170.

Section 422.30 Exemptions from Licensure

The Department shall, upon application therefor, grant such exemptions or exceptions from the requirements of this Part as it determines are authorized by law and will not result in a hazard to public health and safety. The following persons are exempt from the licensing requirements of this Part.

- a) A person performing radon tests or mitigation on a building that the person owns or leases, or an employee of such an owner or leasee, such

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as an industrial hygienist who performs radon tests at his employer's facilities in the course of his normal employment.

- b) A person temporarily practicing in Illinois who possesses a license granted by another state's regulatory authority which is recognized by this State under principles of mutual reciprocity as described in Section 422.45 of this Part.
- c) Persons who only sell or distribute radon sampling devices but do not perform testing, laboratory analysis, and/or mitigation services.
- d) Persons who do not perform radon measurements or mitigation, but who are employed for the purpose of disseminating beneficial information to the public for agencies that the USEPA considers to be partners in providing accurate radon information to the public, such as educational institutions, the American Lung Association, the National Safety Council, and the National Association of City and County Governments and State and local public health officials who perform radon screening services without charge to the recipient of the service.

Section 422.40 Categories of Licenses

- a) The following types of licenses are issued by the Department to individuals:
 - 1) Radon Measurement Professional license;
 - 2) Radon Measurement Technician license;
 - 3) Radon Mitigation Professional license; and
 - 4) Radon Mitigation Technician license.
- b) The Department also issues licenses to persons performing radon-related laboratory analyses.

Section 422.45 Practice by Out-of-State Licensees

- a) A person that holds a valid license issued by a reciprocating state authorizing practice for radon measurement or mitigation, or both, under the laws of that state may practice, in accordance with the license issued by the reciprocating state, radon measurement or mitigation, or both, in Illinois without licensing under this Part for not more than 90 days in any calendar year.
- b) A person licensed to perform radon measurement or mitigation, or both, by a reciprocating state shall notify the Department in writing at least three days prior to engaging in radon or radon progeny measurement or mitigation, or both, within Illinois.

Section 422.50 Application for Licenses

- a) Any person applying to the Department for a new license or a renewal of a license to perform radon-related measurement, mitigation or laboratory analysis services shall:
 - 1) Submit a complete and legible application form;

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- 2) Pay the appropriate non-refundable fee prescribed in Section 422.100 of this Part; and
- 3) Meet the licensing requirements, as applicable, and as set forth in Section 422.60 of this Part.
- b) Any individual or person who anticipates conducting radon-related measurement, mitigation, or laboratory analysis services shall file a complete application for licensure with the Department a minimum of 30 days prior to the anticipated starting date of the activities.
- c) The Department may at any time after the filing of the original application, and before the expiration or termination of the license, require further statements in order to enable the Department to determine whether the application should be granted or denied or whether an existing license should be modified or revoked.
- d) An application shall be deemed filed on the date that it is received by the Department or on the date that it is postmarked by the United States Postal Service.
- e) Licenses issued pursuant to this Part may be renewed by the Department every 2 years upon demonstration of successful completion of continuing education requirements as specified in Section 422.80 of this Part, as applicable, satisfactory inspection results, submittal of a complete and accurate renewal application and the payment of the appropriate fee as specified in Section 422.100 of this Part. The renewal application shall be submitted in the same form as the initial application.
- f) The Department shall deny a license to any person if the Department has evidence that the applicant has engaged in any of the acts listed in Section 422.120 of this Part unless the condition listed in Section 422.120 of this Part no longer exists and the applicant submits documentation that the applicant satisfies the requirements of Section 422.120 of this Part.
- g) *The Department shall deny an original or renewal license to a person who has defaulted on an educational loan guaranteed by the Illinois Student Assistance Commission. However, the Department may issue an original or renewal license if the person in default has established a satisfactory repayment record as determined by the Illinois Student Assistance Commission. [420 ILCS 44/45]*
- h) The Department shall refuse to issue or renew licensure to any individual if the Department has received evidence from the Department of Public Aid that the applicant is delinquent in the payment of child support orders, pursuant to the provisions and procedures set forth in 5 ILCS 100/10-65(c).

Section 422.60 Requirements for Issuance or Renewal of Licenses

- a) The Department shall issue a Radon Measurement Professional license to any individual who fulfills the following requirements:
 - 1) Is at least 18 years of age.
 - 2) Provides evidence of relevant work experience and education that

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meets any one of the following criteria:

- A) At least 4 years of radiological safety, environmental sampling, or industrial hygiene experience;
- B) 2 years part-time radon measurement; or
- C) 1 year full-time radon measurement.
- 3) Provides proof of successful completion of the USEPA Radon Measurement Operators Course, or an equivalent indoor radon and radon progeny measurement course approved by the Department.
- 4) Has successfully completed a USEPA Radon Measurement Examination, or an equivalent examination approved by the Department.
- 5) Submits a complete and accurate application form prescribed by the Department that includes:
 - A) A description of all types of indoor radon measurements performed and any other related services offered;
 - B) A description of all measurement devices;
 - C) A worker protection program description acceptable to the Department that includes, but is not limited to procedures to keep radiation exposures to workers as low as reasonably achievable; and
 - D) A quality assurance program description acceptable to the Department that includes, but is not limited to:
 - i) A policy statement committing to provide quality work, signed and dated by the applicant;
 - ii) Requirements for personnel qualification and training;
 - iii) Procedures for procurement of items and services;
 - iv) Procedures for maintaining records;
 - v) Procedures for calibration and testing of instruments; and
 - vi) Standard operating procedures.
- 6) An individual requesting renewal shall submit evidence of meeting the continuing education requirements in Section 422.80 of this Part.
- b) The Department shall issue a Radon Measurement Technician license to any individual authorizing work under the general supervision of a Radon Measurement Professional licensee, if the applicant meets the following requirements:
 - 1) Is at least 18 years of age.
 - 2) Provides evidence of relevant work experience and education that meets any one of the following criteria:
 - A) At least 1 year part-time radon measurement; or
 - B) 6 months full-time radon measurement.
 - 3) Provides proof of successful completion of the USEPA Radon Measurement Operators Course, or an equivalent indoor radon and radon progeny measurement course approved by the Department.
 - 4) Has successfully completed a USEPA Radon Measurement Examination, or an equivalent examination approved by the Department.
 - 5) An individual requesting renewal shall submit evidence of meeting the continuing education requirement in Section 422.80 of this

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- c) The Department shall issue a Radon Mitigation Professional license to any individual who fulfills the following requirements:
 - 1) Is at least 18 years of age.
 - 2) Provides evidence of relevant work experience and education the meets any of the following criteria:
 - A) At least 4 years of design and construction of buildings, or associated heating, ventilation and air conditioning systems, or closely related activities approved by the Department;
 - B) 2 years of part-time radon mitigation; or
 - C) 1 year full-time radon mitigation.
 - 3) Provides proof of successful completion of "the USEPA Radon Mitigation Course, or an equivalent indoor radon and radon progeny mitigation course approved by the Department.
 - 4) Has successfully completed a USEPA Radon Mitigation Examination, or an equivalent mitigation examination approved by the Department.
 - 5) Submits a complete and accurate application form prescribed by the Department that includes:
 - A) A description of all diagnostic tests that may be performed to determine the mitigation strategy and any other radon related services offered;
 - B) A description of all mitigation materials and systems offered;
 - C) A worker protection program description acceptable to the Department, to be followed when performing mitigation installations, that includes, but is not limited to:
 - i) Procedures to keep radiation exposure to workers as low as reasonably achievable;
 - ii) Methods to follow to reduce or minimize the radon or radon progeny concentrations in the work area;
 - iii) Methods to ensure appropriate safety equipment such as hard hats, face shields, ear protection, steel-toed boots and protective gloves are available on the job site during cutting, drilling, grinding, polishing, demolishing or other activities associated with radon mitigation projects;
 - iv) Methods to ensure all electrical equipment used during radon mitigation projects is properly grounded and that any circuit used as a power source is protected by Ground-Fault Circuit Interrupters (GFCI);
 - v) Methods to ensure ladders or scaffolding is safely installed and operated, as needed for the mitigation project;
 - vi) Procedures to ensure work areas are ventilated to reduce worker exposure to less than 0.3 WL (60 pCi/L of air) and to reduce worker exposure to dust or other

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airborne pollutants;

- vii) Procedures to ensure availability of type A, B and C fire extinguisher(s) in the immediate work area;
- viii) Procedures to ensure mitigation work shall not be conducted in any work area within a school, commercial building or 10-unit (or greater) apartment building where it is suspected that friable asbestos may exist, and be disturbed, until a determination is made by an Illinois Department of Public Health Licensed Inspector that such work will be undertaken in accordance with applicable asbestos regulations; and
- ix) Procedures to ensure workers are provided Material Safety Data Sheets (MSDS) and trained in applicable safety procedures for each sealant, adhesive, paint or other substance used in the mitigation project that may be hazardous to health.
- D) A quality assurance program description acceptable to the Department that includes, but is not limited to:
 - i) A policy statement committing to provide quality work, signed and dated by the applicant;
 - ii) Requirements for personnel qualification and training;
 - iii) Procedures for procurement of items and services;
 - iv) Procedures for maintaining records;
 - v) Procedures for calibration and testing of instruments; and
 - vi) Standard operating procedures.
- 6) An individual requesting renewal shall submit evidence of meeting the continuing education requirements in Section 422.80 of this Part.
- d) The Department shall issue a Radon Mitigation Technician license to any individual authorizing work under the general supervision of a Radon Mitigation Professional licensee, if the applicant meets the following requirements:
 - 1) Is at least 18 years of age.
 - 2) Provides evidence of relevant work experience and education that meets any one of the following criteria:
 - A) At least 1 year part-time radon mitigation; or
 - B) 6 months full-time radon mitigation.
 - 3) Provides proof of successful completion of the USEPA Radon Mitigation Operators Course, or an equivalent indoor radon and radon progeny mitigation course approved by the Department.
 - 4) Has successfully completed a USEPA Radon Mitigation Examination, or an equivalent examination approved by the Department.
 - 5) An individual requesting renewal shall submit evidence of meeting the continuing education requirements in Section 422.80 of this Part.
- e) The Department shall issue a Laboratory Analysis of Radon Devices license to any person or company who fulfills the following

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requirements:

- 1) Be successfully enrolled in the USEPA radon measurement proficiency program, or an equivalent program approved by the Department, for the devices listed in subsection (e)(2)(B) of this Section.
- 2) Submit a complete and accurate application form prescribed by the Department that includes:
 - A) The name of one individual who is responsible for the laboratory radon analytical activities;
 - B) A description of all measurement devices used and services offered; and
 - C) A quality assurance program description acceptable to the Department that includes, but is not limited to:
 - i) A policy statement committing to provide quality work, signed and dated by the applicant;
 - ii) Requirements for personnel qualification and training;
 - iii) Procedures for procurement of items and services;
 - iv) Procedures for maintaining records;
 - v) Procedures for calibration and testing of instruments; and
 - vi) Standard operating procedures.

Section 422.70 Conditions of License

- a) Any person licensed by the Department to perform radon measurement shall perform in accordance with the measurement protocol provided in Section 422.130 of this Part as applicable to the measurement type performed and the device(s) used.
- b) Any person licensed by the Department to perform radon measurements shall use devices approved by USEPA or the Department to measure radon and radon progeny.
- c) Any person licensed by the Department to perform radon mitigation shall perform in accordance with the mitigation standards provided in Section 422.150 of this Part.
- d) Licensees shall provide adequate equipment for worker protection to keep exposures to radon or radon progeny as low as reasonably achievable.
- e) Licensees shall provide basic training to all employees on safety and operational policies and the proper use of equipment.
- f) No unlicensed employee shall perform radon measurement or mitigation activities without the direct on-site supervision of a licensed individual.
- g) Within 30 days after providing post-mitigation testing, the individual providing the service shall report the results in picocuries per liter (pCi/L) to the owner of the building or its representatives.
- h) Licensees shall comply with all applicable Occupational Safety and Health Administration (OSHA) standards and guidelines relating to occupational worker exposure, health and safety.

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AGENCY NOTE: Information on worker health and safety contained in USEPA, Illinois EPA, or Department publications is not considered a substitute for any provisions of the Occupational Safety and Health Act of 1970 or for any standards issued by OSHA.

i) Radiation exposure shall not exceed 30 pCi/L or 0.33 WL, based on continuous workplace exposure for 40 hr/week, 52 weeks per year and shall not exceed 4 working level months (WLM) over a 12 month period, using an equilibrium ratio of 50 percent to convert radon exposure to WLM.

j) Radiation exposure shall be tracked, recorded and reported monthly to the workers. Radiation exposure records of personnel shall be retained for inspection by the Department.

k) Records of radon measurements, mitigations, quality assurance programs, calibration measurements, equipment repairs and worker protection plans shall be retained by the licensee for a least 5 years or the length of time of any warranty or guarantees, whichever is longer.

l) No person shall interfere with, or cause another to interfere with, the successful completion of a radon measurement or the installation or operation of a radon mitigation.

m) The radon laboratory licensee shall notify the Department in writing within 5 days when it loses or replaces the individual named in Section 422.60(e)(2)(A) of this Part.

Section 422.80 Continuing Education Requirements

All applicants for renewal of individual licenses shall provide evidence of having participated in an approved program of continuing education as indicated below:

a) The required effort in continuing education per 2 year period for each category of license issued pursuant to this Part is as follows:

- 1) Radon Measurement Professional 16 units
- 2) Radon Measurement Technician 8 units
- 3) Radon Mitigation Professional 16 units
- 4) Radon Mitigation Technician 8 units

b) Continuing education units may be obtained via participation in courses, seminars or meetings of professional organizations. To obtain credit for attendance at seminars and meetings, licensees shall submit a copy of the agenda and the sign-in sheet or other similar proof of attendance.

c) For Radon Measurement Professionals and Radon Mitigation Professionals, at least 8 of the required 16 continuing education units (CEUs) shall be in approved radon courses.

d) The basis for a unit of continuing education credit shall be the contact hour (50 minutes) of lecture. Activity other than lecture shall be submitted to the Department for evaluation in accordance with Section 422.85 of this Part.

e) Licensees shall submit required documentation for CEUs at the time of

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renewal.

f) Continuing education credit for courses shall be given for courses approved by USEPA or the Department in accordance with the procedures specified in Section 422.85 of this Part.

g) For courses not approved by USEPA or the Department, a licensee may submit the information required by Section 422.85 of this Part to the Department for approval. Such documentation shall be submitted at least 180 days prior to license expiration.

Section 422.85 Department Approval of Radon Courses

a) Radon courses approved by USEPA shall be deemed approved by the Department.

b) Persons offering continuing education for a licensed individual may apply for approval by submitting to the Department, 90 days prior to the start of the course, the following:

1) A completed application on a form prescribed by the Department which shall include, but not be limited to, the following information:

A) Name, address, telephone number, fax number and e-mail address of the person providing the training;

B) Type of course and title; and

C) Total hours of supervised instruction within the course;

2) Copies of the syllabus and all training materials to be used in the training course;

3) Biographies or credentials of all individuals instructing the training course participants; and

4) Criteria upon which successful completion of the course by participants will be judged.

AGENCY NOTE: Operators of training courses shall submit a separate application for each course, but if a single course will provide instruction for more than one type of licensed individual, only one application is required.

c) To maintain approval of a training course, the course operator shall do all of the following:

1) Issue a certificate of completion to each individual who successfully completes the course;

2) Submit to the Department a list of all individuals who successfully completed the course within 30 days after completion of the course;

3) Request, in writing, the Department's approval of any changes that would render the information contained in the application for approval inaccurate; and

4) For a revised course, submit an informational copy of the complete revised course, whether or not the revisions render the information contained in the application for approval inaccurate.

d) The Department may refuse to issue an approval and may revoke or suspend an approval issued under this Part if the operator of the

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- course fails to meet the criteria specified in subsection (b) or (c) of this Section.
- e) Approval of a training course shall expire 2 years after the date of approval.

Section 422.90 Implementation

- a) The duration of initial issuance of any license issued under this Part shall be 2 years. Licenses shall be renewable for subsequent 2 year terms in accordance with Section 422.60 of this Part.
- b) The expiration date of a renewed license that has been renewed on or before the expiration of the previous license term shall be 2 years from the expiration date of the prior licensing period. For renewal of a license that has lapsed, or that has been surrendered, the expiration shall be 2 years from the last day of the month in which the application for renewal is processed.
- c) Applicants who were registered on January 1, 1998, or became provisionally licensed during the 5 month term of the emergency rule (January 1, 1998 through May 31, 1998) by meeting all the requirements of the Department as stated in Section 422.50 of the emergency rule, may be granted a license on or after June 1, 1998, provided that by July 31, 1998, each applicant pays the appropriate non-refundable license fee pursuant to Section 422.100 of this Part.
- d) All new applicants who apply to the Department for a license on or after June 1, 1998, shall comply with the application provisions in Section 422.50 of this Part.
- e) All applicants seeking renewal in subsequent 2 year terms shall meet all applicable requirements in Section 422.60 of this Part.
- f) Individuals who were provisionally licensed to perform radon or radon progeny measurement, but who have not previously taken USEPA's "Measurement Operators" course or successfully completed USEPA's "RPP Measurement" examination, shall do so prior to their license renewal date of June 1, 2000.
- g) All other licensees shall complete the continuing education requirements in Section 422.80 of this Part.

Section 422.100 License Fees

- a) The license application fee in all categories shall be non-refundable and shall be as follows:

Radon Measurement Professional license	
- Individual	\$400
Radon Measurement Technician license	
- Individual	\$250
Radon Mitigation Professional license	
- Individual	\$400
Radon Mitigation Technician license	

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- Individual
Laboratory Analysis of Radon Devices \$250
\$500

- b) The appropriate fees shall accompany the application when filed with the Department.
- AGENCY NOTE: Any provisional licensee as of May 31, 1998, shall receive a \$100 credit towards the fee as shown in subsection (a) of this Section.

Section 422.110 Reports to the Department

- a) All individuals licensed to perform radon measurements shall submit to the Department the results of all radon and radon progeny measurements on an annual basis on a form to be specified by the Department.
- b) Records of radon measurements, mitigations, quality assurance programs, calibration measurements, equipment repairs and worker protection plans shall be retained by the licensee for at least 5 years or the length of time of any warranty or guarantees, whichever is longer.

Section 422.120 Suspension and Revocation of License

- a) The Department may act to suspend or revoke a person's license for any one or a combination of the following causes:
- 1) Knowingly causing a material misstatement or misrepresentation to be made in the application for licensure, if such misstatement or misrepresentation would impair the Department's ability to assess and evaluate the applicant's qualifications for licensure under this Part, such as a misstatement or misrepresentation regarding training or experience;
 - 2) Willfully evading the statute or regulations pertaining to licensure, or willfully aiding another person in evading such statute or regulations pertaining to licensure;
 - 3) Having been convicted in any state of a crime that is a felony under the laws of this State or having been convicted of a felony in a federal court, unless such individual demonstrates to the Department that he/she has been sufficiently rehabilitated, by restoration of all civil rights, to warrant the public trust;
 - 4) Misrepresenting the capabilities of a device for detecting and measuring radon or radon progeny or misrepresenting the results of a test to detect or measure radon or radon progeny;
 - 5) Gross and willful overcharging for professional services, including filing false statements for collection of fees or moneys for which services are not rendered; and
 - 6) A finding by the Department that the licensee, after having his or her license placed on probationary status, has violated the terms of probation.
- b) If, based upon any of the grounds in subsection (a) of this Section,

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action to suspend or revoke licensure is initiated, the Department shall notify the person and shall provide an opportunity for a hearing in accordance with 32 Ill. Adm. Code 200.60. An opportunity for a hearing shall be provided before the Department takes action to suspend or revoke a person's license.

c) Suspension of licensure shall be for up to 1 year in time. The term of suspension shall be reduced by the Director, upon the recommendation of the hearing officer, if the hearing officer finds, based upon evidence presented to him/her at a hearing, and the Director concurs, that the conditions leading to the Preliminary Order for Suspension can be cured in less than 1 year. However, if the Department finds that the causes are of a serious or continuous nature, such as past actions which posed an immediate threat to public health or safety, deficiencies that cannot be cured within 1 year or frequent child support arrearages, the Department shall revoke the person's license.

d) The Director may summarily suspend the license of a licensee without a hearing, simultaneously with the institution of proceedings for a hearing, if the Director finds that evidence in his or her possession indicates that continuation of the contractor in practice would constitute an imminent danger to the public. If the Director summarily suspends a license without a hearing, a hearing by the Department shall be held within 30 days after the suspension has occurred and shall be concluded without appreciable delay. [420 ILCS 44/50] Such hearing shall be held in accordance with 32 Ill. Adm. Code 200.

e) When a person's license is suspended or revoked, the person shall surrender the license to the Department.

f) A person whose license has been revoked may seek reinstatement of the license by filing with the Department a petition for reinstatement. Such petition may be filed after the beginning of the revocation period. The person shall be afforded a hearing in accordance with 32 Ill. Adm. Code 200 and shall bear the burden of proof of establishing that the license should be reinstated due to rehabilitation.

g) An individual or person who violates any provisions of this Part shall be guilty of a business offense and shall be assessed a penalty in accordance with Section 35 of the Act.

Section 422.130 Measurement Protocol

a) Measurement Location

1) Short-term or long-term measurements shall be made in each lowest structural area suitable for occupancy. For example, a split-level building with a basement, a slab-on-grade room and a room over crawlspace shall have measurements made in the basement, in a slab-on-grade room and in a room over the crawlspace.

A) Measurements shall be made in rooms that are regularly used,

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such as family rooms, living rooms, dens, playrooms and bedrooms.

B) Charcoal canisters of any type shall not be placed in bathrooms, kitchens, laundry rooms, spa rooms or bathrooms without prior written and signed release from the resident acknowledging the potential adverse impact of making measurements in such a location.

C) Radon in air measurements shall be made either concurrently with or prior to any diagnostic radon in water measurements. Measurement devices shall be:

- i) Undisturbed during the test period;
- ii) At least three feet from doors, windows to the outside and ventilation ducts;
- iii) At least one foot from exterior walls;
- iv) Twenty to thirty inches from the floor;
- v) Four inches away from other objects horizontally or vertically above the detector;
- vi) Ten feet from heat, fireplaces and furnaces, out of direct sunlight, etc.

E) Measurement devices may be suspended in the general breathing zone and, if suspended, shall be six to eight feet above the floor.

F) Measurements made in closets, cupboards, sumps, crawlspaces or nooks within the foundation shall not be used as a representative measurement and shall not be the basis for a decision to, or not to, mitigate the radon level within a building.

b) Initial Measurements

1) The initial measurement shall be a short-term measurement that may range in duration from 48 hours to 90 days, depending upon the measurement device used.

A) Short-term measurements shall be made under closed-building conditions whenever the measurement interval lasts less than seven days (168 hours).

B) Closed building conditions shall begin at least 12 hours prior to the beginning of the measurement period and shall be maintained throughout the measurement interval. The following conditions shall be complied with during closed-building conditions:

- i) Normal operation of permanently installed energy recovery ventilators may continue during closed-building conditions. Radon Measurement Professional licensees shall inform the resident in writing that operation of dryers, range hoods and bathroom fans may adversely affect test results.
- ii) In buildings having permanently installed radon mitigation systems, the mitigation system shall be functioning during the measurement interval.

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iii) Air conditioning systems that recycle interior air may be operated during closed-building conditions. However, building owners shall be informed that any air circulation system may alter the radon progeny concentration without significantly changing the radon concentration.

iv) All windows shall be kept closed.

v) All external and any basement to first floor doors shall be closed except for normal entry and exit. Structural openings due to disrepair or structural defects shall be repaired to correct their condition prior to initiation of closed-building conditions. All exterior windows and doors shall be inspected by a Radon Measurement Professional licensee or Radon Measurement Technician at the placement and retrieval of the detector(s) and the result of the inspection documented for the measurement file.

vi) Whole house fans shall not be operated. Portable window fans shall be removed from the window or sealed in place. Window air conditioning units shall only be operated in a recirculating mode. If the building contains an air handling system, the air handling system shall not be set for continuous operation unless the air handling equipment is specifically used for radon control and is so labeled.

vii) Fireplaces or combustion appliances shall not be operated unless they are the primary sources of heat for the building. Ceiling fans, portable dehumidifiers, portable humidifiers, portable air filters and window air conditioners shall not be operated within twenty feet of the detector.

C) Short-term measurements of less than 96 hours shall not be conducted during severe storms or periods of high winds (30 miles per hour or more). Radon Measurement Professional licensees shall check and document local weather forecasts prior to placing short-term measurement devices when the measurement period is less than 96 hours.

D) The Radon Measurement Professional licensee shall document that instructions describing closed-building conditions in subsection (b)(1) of this Section are given to the client.

2) The Radon Measurement Professional licensee shall advise the resident in accordance with Section 422.Appendix A of this Part.

3) Follow-up measurements shall be conducted in the same location as the initial measurement.

c) Options for Real Estate Testing

1) Option 1: Sequential Testing

A) Sequential tests shall be conducted under the conditions described in subsection (b)(1) of this Section.

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B) The results of the first test shall not be reported prior to making the second measurement. The results of sequential tests shall be reported at the same time.

C) The average of the sequential tests shall be reported and shall be considered appropriate as the basis for determining the need for mitigation.

D) Sequential tests shall be:

- i) Made with similar measurement devices (see Section 422.Appendix B of this Part);
- ii) For similar time periods;
- iii) In similar locations; and
- iv) Reported in the same units (pCi/L).

2) Option 2: Simultaneous Testing

A) Simultaneous Testing shall be comprised of two indoor radon tests conducted simultaneously with similar measurement devices (see Section 422.Appendix A of this Part) that:

- i) Are co-located and spaced four inches apart;
- ii) Produce results in the same units (pCi/L or WL).

B) Simultaneous test results that are both less than 4.0 pCi/L shall agree with a Relative Percent Difference (RPD) of less than 67 percent. Relative Percent Difference is the difference between the two results divided by the average of the two results. (See Section 422.Appendix A of this Part.) If the RPD is greater than 67 percent, the Radon Measurement Professional licensee shall investigate, document and correct the source(s) of the error.

C) When one of the measurements is equal to or greater than 4.0 pCi/L and one is less than 4.0 pCi/L, and the higher result is greater than twice the lower result, the client shall be informed of the large discrepancy and the simultaneous tests repeated.

D) Simultaneous test results that are both equal to or greater than 4.0 pCi/L shall agree with a Relative Percent Difference of less than 36 percent. If the RPD is greater than 36 percent, the Radon Measurement Professional licensee shall investigate, document and correct the source(s) of the error.

E) All simultaneous test results shall be reported to the client.

3) Option 3: Performing A Single Test

A) This option requires an active continuous monitor that has the capability to integrate and record a new result at least hourly. Shorter integration periods and more frequent data logging afford greater ability to detect unusual variations in radon or radon progeny concentrations. Continuous monitors that cannot integrate over a period of one hour or less shall be used with an additional passive or active

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measurement device used either sequentially or simultaneously with the continuous monitor as described in subsections (c)(1) and (c)(2) of this Section.

- B) The minimum single test measurement period shall be 48 hours. The first four hours of data from a continuous monitor may be discarded or incorporated into the result using system correction factors. There shall be at least 44 contiguous hours of usable data to produce a valid average.

i) The "backing out" of data (i.e., removal of portions imbedded in the 44 contiguous hours of monitoring) shall invalidate the measurement.

ii) The periodic results shall be averaged to produce a result that is reported to the client.

- 4) Additional Requirement for Real Estate Option Testing

A) Measurement Location. Measurement location shall be in accordance with subsection (a) of this Section.

B) The measurement exposure time shall be a minimum of 48 hours. Short-term measurement exposure time shall be in increments of 24 hours plus or minus 1 hour for each day of exposure. This means that a three-day test could be exposed from 69 to 75 hours. The exposure time shall not be less than the manufacturer's or supplier's recommendation.

- C) Real Estate Option measurements shall be performed under closed-building conditions as described in subsections (b)(1) of this Section.

- d) Non-Interference Agreement

1) The client shall sign a non-interference agreement indicating an understanding of the testing conditions of this Part and of the penalties for interference with an in-progress radon measurement.

2) If such an agreement cannot be or will not be signed by the client, the Radon Measurement Professional licensee shall document on the agreement why the signature was not obtained.

The agreement shall be retained for inspection by the Department.

- e) Radon Measurement In Progress Notification. The licensee shall post at every building entry and in a conspicuous location a Radon Measurement In Progress Notification. The Notice shall be posted upon initiation of a radon measurement. A copy of a Radon Measurement In Progress Notice is provided in Section 422. Appendix C of this Part.

- f) School and Commercial Building Measurements

1) Initial measurements shall be short-term measurements of at least 48 hours to 90 days, depending on the device used, and shall be made in all frequently occupied rooms in contact with the soil, whether the contact is slab-on-grade, a basement, berm, a room above a crawlspace or any combination.

A) Frequently occupied rooms include classrooms, offices, conference rooms, gymnasiums, auditoriums, cafeterias and break rooms.

B) Testing need not be conducted in infrequently used areas

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such as storage rooms, stairwells, rest rooms, utility closets, kitchens, elevator shafts or hallways.

C) A minimum of one detector shall be placed per every 2000 square feet of open floor area.

- 2) All rooms shall be tested simultaneously.

A) The licensee shall ensure that the teacher or frequent user of the room being tested is aware of the detector.

B) The licensee shall perform and document a surveillance of the building to determine the rooms needing testing prior to placement.

3) Follow-up measurements shall be performed in every room with a short-term, initial test result of 4.0 pCi/L or greater. Refer to Section 422. Appendix A of this Part.

4) During both initial and follow-up testing, the Heating, Ventilation and Air Conditioning (HVAC) system shall be operated normally.

5) The Radon Measurement Professional licensee shall recommend in writing to the school or commercial building management, owners or representatives that a decision to mitigate not be based on initial measurement results.

6) School and commercial building measurements shall be performed in accordance with subsections (a) and (b) of this Section.

A) School and commercial building measurements of less than four days duration shall be performed under closed-building conditions as described in subsection (b)(1) of this Section.

B) Duplicate measurements shall be performed and shall represent 10 percent of all the detectors deployed, or a maximum of 50 detectors, whichever is less, within the building.

C) Blank measurements shall be performed and shall represent 5 percent of all the detectors deployed, or a maximum of 25 detectors, whichever is less, within the building.

D) A Device Placement Log and Floor Plan shall be finalized for each school or commercial building in which radon or radon progeny measurements are made. All measurement devices, including duplicate measures and blanks, shall be noted on the Device Placement Log and Floor Plan by serial number.

7) Requirements for Specific School and Commercial Building Designs

A) Slab-on-grade Design. Measure all frequently-occupied rooms in contact with the ground.

B) Open-plan or Pod Design. If sections of a pod have moveable walls that can physically separate them from other sections, measure each section separately. If moveable walls are absent or inoperable, measure the pod as one room placing detectors every 2000 square feet.

C) Crawlspace Design. Measure all rooms directly above an enclosed crawlspace.

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D) Basement Design. In addition to measuring all frequently-occupied basement rooms, measure all rooms above the basement that have at least one wall with substantial contact with the ground.

g) New Construction Testing Conditions. Newly constructed buildings shall not be tested for radon or radon progeny unless the installation of the following items is completed:

- 1) All insulation;
- 2) All exterior doors;
- 3) All windows;
- 4) All fireplaces and fireplace dampers;
- 5) All heating, air conditioning, and plumbing appliances;
- 6) All ceiling covers;
- 7) All interior trim and coverings for the exterior walls;
- 8) All exterior siding, weatherproofing and caulking;
- 9) All interior and exterior structural components; and
- 10) Any interior or exterior work that may adversely affect the measurement validity.

h) Post-Mitigation Testing

- 1) Post-mitigation measurements shall not be conducted if temporary radon reduction measures have been implemented.
- 2) Post-mitigation measurement(s) shall be conducted to determine a system's effectiveness after a permanent radon reduction system has been fully operational for at least 24 hours but not later than 30 days following completion and activation of a mitigation system. The mitigation system shall be operated normally and continuously during the entire measurement period.
- 3) Post-mitigation measurements shall be conducted in accordance with subsections (a), (b) and (c) of this Section.

i) Temporary Radon Reduction Measures

- 1) Temporary radon reduction measures include:
 - A) The introduction of unconditioned air into the building; or
 - B) Closure of normally accessible areas of the building; or
 - C) Lowering the thermostat below its normal use setting.
- 2) Any of the conditions listed in subsection (i)(1)(A), (B) or (C) of this Section shall invalidate measurement results. The Radon Measurement Professional licensee shall not conduct a measurement until the conditions have been corrected. The Radon Measurement Professional licensee shall inform the client and other parties involved in a real estate transaction that these conditions invalidate the measurement results.
- 3) Any improper radon reduction efforts identified, prior to, during, or after initial, follow-up, real estate option or post-mitigation measurements, shall invalidate the results. The Radon Measurement Professional licensee shall not conduct a measurement until the improper conditions have been corrected.

j) Measurement Documentation

- 1) Radon Measurement Professional licensees shall ensure that

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sufficient information on each measurement is recorded in a permanent log to allow for future data comparisons, interpretations and reporting to clients. Radon Measurement Professional licensees shall keep the following information in a measurement log that shall be retained for 5 years. Additional method-specific documentation is outlined in Section 422.140 of this Part.

- A) A copy of the final report, including the measurement results, and the statement describing any recommendations concerning retesting or mitigation provided to the building owner, occupant or agent;
 - B) The address of the building measured, including zip code;
 - C) A diagram of the test area noting the exact location(s) of all measurement devices deployed;
 - D) Exact start and stop dates and times of the measurement period as required for analysis;
 - E) A description of the device used and serial number;
 - F) A description of the condition of any permanent vents, such as crawlspace vents or combustion air supply to combustible appliances;
 - G) The name and Illinois license number, or USEPA RPP identification number, of the service or analysis organizations used to analyze devices;
 - H) The name and Illinois license number of the individual who conducted the test;
 - I) A description of any variations from or uncertainties about standard measurement procedures, closed-building conditions or other factors that may affect the measurement result;
 - J) A description of any non-interference controls used and original copies of signed non-interference agreements; and
 - K) A record of any quality control measures associated with the test, such as the results of simultaneous or secondary measurements.
- k) Providing Information to Consumers. Radon Measurement Professional licensees shall provide the customer with the following information:
- 1) Devices that will be placed by the customer shall be accompanied by instructions on how to use the device. These instructions shall be consistent with the Illinois Device Protocol described in Section 422.140 and include specific information on the minimum and maximum length of time that the device must be exposed.
 - 2) The Department's Radon Program address and telephone number.
- l) Reporting Test Results. Radon Measurement Professional licensees shall return radon measurement results to the client within 30 days after retrieving exposed devices. Laboratories receiving an exposed device that has been delivered for analysis shall return results to the client within 30 days. As a minimum, the test result report shall contain:

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- 1) Measurement results reported in the units that the device measures. Any measurement results based on radon gas shall be reported to no more than one decimal place, e.g., 4.3 pCi/L. Any measurement result based on radon progeny shall be reported to no more than three decimal places, e.g., 0.033 WL.
- 2) Working level values shall be converted to pCi/L and both reported to the client. The conversions from WL to pCi/L shall be presented and explained clearly in the report to the client. A statement shall be included in the test report stating that this approximate conversion is based on a 50 percent equilibrium ratio. In addition, the report shall state that this equilibrium ratio is typical but that any indoor environment may have a different and varying relationship between radon and radon progeny.
- 3) The dates of the measurement period and address of the building tested.
- 4) A description of the measurement device used, its manufacturer, model or type, and serial numbers or other unique device identification numbers.
- 5) The name and Illinois license numbers of the individual or person placing and retrieving the device and the Illinois license number, or USPPA RPP identification number, of the laboratory analyzing the device.
- 6) A statement describing any observed tampering or deviations from the required test conditions.
- 7) A diagram of the test area noting the exact location(s) of all measurement devices deployed.
- 8) Grab sampled measurements shall be reported with written notification stating that grab sample results are useful diagnostic tools, but are not a basis for making a decision regarding mitigation.
- m) Quality Assurance for Radon Measurements. Radon Measurement Professional licensees shall abide by the quality assurance program described in Section 422.60(a)(5)(D) of this Part.
- n) When Radon Measurements Shall Not Be Made
 - 1) Short-term radon measurements of less than 5 days shall not be made during major weather events such as high winds (30 mph or greater).
 - 2) Radon measurements of any duration shall not be made during renovation of a building, especially those involving structural changes, or during renovations of the HVAC systems.
AGENCY NOTE: When renovations are planned, radon measurements should be made prior to renovations and immediately upon the completion of renovations.
 - 3) Schools and commercial buildings shall only be tested for radon during periods when the HVAC system is operating normally even when school is not in session or on long holidays.

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Section 422.140 Device Protocol

- a) Protocol for using continuous radon monitors (CMs) to measure indoor radon concentrations
 - 1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.
 - 2) Every continuous monitor shall be calibrated in a radon calibration chamber, approved by the Department or certified by USEPA, before being placed into service, and after any repairs or modifications. Subsequent recalibrations and background checks shall be performed at least once every 12 months, with cross checks with a recently calibrated instrument at least semiannually. Each scintillation cell requires an individual calibration factor.
 - 3) Background measurements shall be performed after every 1,000 hours of operation of scintillation cell-type CMs and whenever any type of CM is calibrated. The background shall be checked by purging the monitor with clean, aged air or nitrogen in accordance with the manufacturer's instructions. In addition, the background count rate shall be monitored in accordance with the manufacturer's instruction.
 - 4) When performing a radon measurement, the CM shall be programmed to run continuously, recording periodically (hourly or more frequently) the radon concentration for at least 48 hours. Longer measurements may be required per the continuous monitor type and the radon level being measured.
 - 5) Pumps and flow meters shall be checked before and after each measurement in accordance with the manufacturer's instruction.
 - 6) If the first four hours of data from a 48-hour measurement are discarded because data are produced prior to the establishment of equilibrium conditions in a flow-through cell, the remaining hours of data shall be averaged and shall be sufficient to represent a two-day measurement.
- b) Protocol for using alpha track detectors (ATs) to measure indoor radon concentrations
 - 1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.
 - 2) The laboratory background level shall be measured for 5 percent of unexposed ATs for each batch of ATs and this measure shall be established by each laboratory or supplier approved by the Department.
 - 3) Every AT laboratory system shall be calibrated in a radon calibration chamber at least once every 12 months. Determination of a calibration factor requires exposures of ATs to a known radon concentration in a radon exposure chamber. These calibration exposures shall be used to obtain or verify the conversion factor between net tracks per unit area and radon concentration.

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A) ATs shall be exposed in a radon chamber at a minimum of three different radon concentrations (such as approximately 1.0-4.0, 5-15, 20-50 pCi/L) or exposure levels similar to those found in the tested buildings.

B) A minimum of 10 detectors shall be exposed at each level of the chamber.

C) A calibration factor shall be determined for each batch or sheet of detector material received from the supplier. Alternatively, calibration factors may be established for several sheets, and these factors extended to detectors from sheets exhibiting similar sensitivities (within pre-established tolerance limits).

4) Analysis instruments shall be checked at least daily for operability prior to operation.

5) ATs exposed at known concentrations shall be labeled in the same manner as field detectors to ensure identical processing. The results of analyses of detectors exposed to known radon concentrations shall be monitored and recorded.

c) Protocol for using electret ion chamber radon detectors (ECs, ESs, ELs) to measure indoor radon concentrations

1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.

2) Every short-term and long-term electret detector and the electret reader(s) shall be calibrated in a radon calibration chamber, approved by the Department or certified by USEPA. Initial calibration for the system is provided by the manufacturer. Subsequent recalibrations shall be performed at least once every 12 months. Determination of calibration factors for short-term or long-term detectors requires exposure of detectors to known concentrations of radon-222 in a radon exposure chamber. Since short-term and long-term electrets are also sensitive to exposure to gamma radiation, a gamma exposure rate measurement in the test chamber is also required annually.

3) As a minimum, manufacturers and suppliers of electret services shall be as follows:

A) Detectors shall be exposed in a radon chamber at a minimum of three different radon concentrations, such as approximately 4.0, 10-30 and 30-100 pCi/L, or exposure levels similar to those found in the tested buildings.

B) A minimum of 10 detectors shall be exposed at each level of the chamber.

C) The period of exposure shall be sufficient to allow the detector to achieve equilibrium with the chamber atmosphere.

4) Anyone providing measurement services with short-term or long-term electrets shall set aside a minimum of five percent of the electrets or 10, whichever number is smaller, from each shipment and evaluate them for voltage drift. The electrets shall be kept covered with protective caps in a low radon

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environment and analyzed for voltage drift over a time period similar to the time period used for those deployed in measurements. Any voltage loss found in the control electrets of more than one volt per week over a three-week test period for short-term electrets, or one volt per month over a three-month period for long-term electrets, shall be investigated.

5) Proper operation of the surface voltmeter shall be monitored following the manufacturer's procedures for zeroing the voltmeter and analyzing a reference electret. These checks shall be conducted at least once a week while the voltmeter is in use.

d) Protocol for using activated charcoal adsorption devices (ACs) to measure indoor radon concentrations

1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.

2) Every activated charcoal adsorption system shall be calibrated in a radon calibration chamber at least once every 12 months. Determination of calibration factors for ACs requires exposure of the detectors to known concentrations of radon-222 in a radon exposure chamber. The calibration factors depend on the exposure time and may also depend on the amount of water adsorbed by the charcoal container during exposure. Calibration factors shall be determined for each AC measurement system (container type, amount of charcoal, gamma detector type, etc.).

3) Laboratory Control Detectors. The laboratory background level for each batch of ACs shall be established by each laboratory or supplier. Suppliers shall measure the background of 5 percent of unexposed detectors that have been processed according to their standard operating procedures (laboratory blanks).

4) Counting equipment shall be subject to daily operability checks by counting an instrument check source and determining whether the reference source is constant to within established limits (two standard deviations). The characteristics of the check source (geometry, type of radiation emitted, etc.) shall be similar to those of the samples analyzed. The count rate of the check sources shall be high enough to yield good counting statistics in a short time (for example, 1000 to 10,000 counts per minute) to provide a maximum random uncertainty of 5 percent. Protocol for using charcoal liquid scintillation (LS) devices to measure indoor radon concentrations.

1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.

2) Every LS laboratory system shall be calibrated in a radon calibration chamber at least once every 12 months. Determination of calibration factors for LS devices requires exposure of calibration devices to known concentrations of radon-222 in a radon exposure chamber at carefully measured radon concentrations. The calibration factors depend on the exposure time and may also depend on the amount of water adsorbed by the

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device during exposure. Calibration factors shall be determined for a range of different exposure times and, as appropriate, humidities.

- 3) Laboratory Control Devices. The laboratory background level for each batch of LS devices shall be established by each laboratory or supplier. Suppliers shall measure the background of 5 percent of unexposed LS devices that have been processed according to their standard operating procedures (laboratory blanks).

- 4) Counting equipment shall be subject to daily operability checks by counting an instrument check source and determining whether the reference source is constant to within established limits (two standard deviations). The characteristics of the check source (geometry, type of radiation emitted, etc.) shall be similar to those of the samples analyzed. The count rate of the check sources shall be high enough to yield good counting statistics in a short time (for example, 1000 to 10,000 counts per minute) to provide a maximum random uncertainty of 5 percent.

- F) Protocol for using grab radon sampling (GB, GC, GS) pump/collapsible cells (SCs) to measure indoor radon concentrations.

- 1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.
- 2) The serial numbers of cells, cartridges, bags, pumps and counting or analysis equipment shall be recorded. The start-time and stop-time vacuum gauge readings shall be recorded along with the serial numbers of the SCs and counting equipment.
- 3) Every device shall be calibrated in a radon calibration chamber before being put into service and at subsequent intervals of not more than 12 months, with cross checks to a recently calibrated instrument at least semiannually.
- 4) Calibration Factors. Determination of calibration factors requires exposure of calibration devices to known concentrations of radon-222 in a radon exposure chamber at carefully measured radon concentrations. The cells shall be recalibrated annually at radon levels similar to those found in tested buildings. Scintillation counting systems used to count exposed cells shall be either the system used to calibrate the cell or one calibrated against that system.
- 5) Cell Flushing and Storage. After cells have been counted and data are satisfactorily recorded, the cells shall be flushed with aged air or nitrogen to remove the sample. Flow-through cells shall be flushed with at least 10 volume exchanges at a flow of two liters per minute. Cells with single valves shall be evacuated and refilled with aged air or nitrogen at least five times. Flushed cells shall be left filled with aged air or nitrogen and allowed to sit overnight before being counted for background.
- 6) Cell Calibration. If a GS method of measuring the radon

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concentration is used in the PB or GB methods, the following calibration procedure shall be followed.

- A) The cell counting system consisting of the scaler, detector and high-voltage supply shall be calibrated. The correct high voltage is determined by increasing the high voltage by increments and plotting the resultant counts. Each counting system shall be calibrated in a radon calibration chamber before use and after any repairs or modifications. Subsequent recalibrations shall be performed once every 12 months, with cross checks to a recently calibrated instrument at least semiannually. A check source or calibration cell shall be counted in each analysis system each day to demonstrate proper operation prior to counting any samples.

- B) A separate calibration factor shall be obtained for each cell in the counting system. Each cell shall be filled with radon of a known concentration and counted to determine the conversion factor (in counts per minute per pCi). The known concentration of radon may be obtained from a radon calibration chamber or estimated from a bubbler tube containing a known concentration of radium.

- 7) Grab-Radon/Activated Charcoal (GC) Method Calibration. The special cartridge shall be calibrated in a radon calibration chamber prior to use and at least once every 12 months thereafter to establish a calibration factor. Samples shall be taken at different humidities and temperatures to establish correction factors.

- 8) Laboratory Control Devices. The background level for each device shall be established by each supplier. Suppliers shall measure the background of each device before each use.

- 9) Counting equipment shall be checked prior to each day's use with a check source. The characteristics of the check source (i.e., geometry, type of radiation emitted, etc.) shall be as similar to the samples to be analyzed as possible. The count rate of the check source shall be high enough to yield good counting statistics in a short time (for example, 1000 to 10,000 counts per minute) to provide a maximum random uncertainty of 5 percent.

- 10) Pumps and flow meters shall be checked in accordance with the manufacturer's specification to ensure accuracy of volume measurements. This may be performed using a dry-gas meter or other flow measurement device of traceable accuracy.

- g) Protocol for using unfiltered track detection (UT) to measure indoor radon concentrations

- 1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.

- 2) The laboratory background level shall be measured for 5 percent of unexposed UTs for each batch of UTs and this measure shall be established by each laboratory or supplier licensed by the

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Department.

- 3) Every UT laboratory system shall be calibrated in a radon calibration chamber at least once every 12 months. Determination of a calibration factor requires exposure of UT detectors to a known radon and decay product concentration in a radon exposure chamber. These calibration exposures shall be used to obtain or verify the conversion factor between net tracks per unit area and radon concentration.

A) UT detectors shall be exposed in a radon chamber at a minimum of three different radon and decay product concentrations similar to those expected in the tested buildings. Concentrations of radon decay products shall be known in order to be included in the calculation of the calibration factor.

B) A minimum of 10 detectors shall be exposed at each level of the chamber.

C) A calibration factor shall be determined for each batch of detector material received from the material supplier. Alternatively, calibration factors may be established from several sheets and these factors extended to detectors from sheets exhibiting similar sensitivities (within pre-established tolerance limits).

D) Altitude of the radon chamber shall be known if located at more than 600 feet (200 meters) above sea level so that a correction can be included in the calculation of the calibration factor.

4) Analysis instruments shall be checked at least daily for operability prior to operation.

5) UTs exposed at known concentrations shall be labeled in the same manner as field detectors to ensure identical processing. The results of analyses of detectors exposed to known radon concentrations shall be monitored and recorded.

6) Laboratory Control Detectors. The laboratory background level for each batch of UT detectors shall be established by each supplier. Suppliers shall measure the background of 5 percent of unexposed detectors that have been processed according to their standard operating procedures. Normally, the analysis laboratory or supplier calculates the net readings (which are used to calculate the reported sample radon concentrations) by subtracting the laboratory blank values from the results obtained from the field detectors.

h) Protocol for using continuous working level monitors (CWMs) to measure indoor radon decay product concentrations

1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.

2) Every continuous monitor shall be calibrated in a radon calibration chamber, approved by the Department or certified by USEPA, before being placed into service, and after any repairs or

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modifications. Subsequent recalibrations and background checks shall be performed at least once every 12 months, with cross checks with a recently calibrated instrument at least semiannually.

3) Background measurements shall be performed after every 168 hours of operation and whenever the unit is calibrated. The CW shall be purged with clean, aged air or nitrogen in accordance with the approved procedures conforming to the procedures identified in the operating manual for the instrument.

4) When performing a radon measurement, the CW shall be programmed to run continuously, recording the periodic WL and, when possible, the total integrated average WL. The sampling period shall be at least 46 to 50 (48 \pm 2 hour grace period). The longer the operating time the smaller the uncertainty associated with using the measurement result to estimate a longer-term average concentration. The integrated average WL over the measurement period shall be reported as the measurement result.

5) Pumps and flow meters shall be checked quarterly to ensure accuracy of volume measurements.

i) Protocol for using radon progeny integrating sampling units (RPISUs or RPs) to measure indoor radon decay product concentrations

1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.

2) Every RP shall be calibrated in a radon calibration chamber, approved by the Department or certified by USEPA, before being placed into service, and after any repairs or modifications.

Subsequent recalibrations shall be performed at least once every 12 months, with cross checks with a recently calibrated instrument at least semiannually. Calibration of RPs requires exposure in a controlled radon-exposure chamber where the radon decay product concentration is known during the exposure period. The detector shall be exposed in the chamber using the normal operating flow rate for the RP sampling pumps. Calibration shall include exposure to a minimum of four detectors exposed at different radon decay product concentrations representative of the range found in routine measurements. The relationship of TLD reader units or etched track reader units to working level (WL) for a given sample volume and the standard error associated with this measurement shall be determined. Calibration of the RPs includes testing to ensure accuracy of the flow rate measurement.

3) Laboratory Control Detectors. The laboratory background level for each batch of assembled TLDs should be established by each supplier. Suppliers shall measure the background of 5 percent of unexposed thermoluminescent assemblies that have been processed according to their standard operating procedures. To calculate the net readings used to calculate the reported sample radon concentrations, the analysis laboratory shall subtract this laboratory blank value from the results obtained from the field

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detectors.

A) Similarly, the laboratory background level for each batch of ATD-type RPs shall be established by each supplier of these detectors. Suppliers shall measure the background of 5 percent of unexposed detector films that have been processed according to their standard operating procedures. The analysis laboratory shall subtract this laboratory blank value from the results obtained from the field detectors before calculating the final result.

B) Users of electret-type RPs shall follow control detector procedures described in subsection (c) of this Section.

j) Protocol for using grab sampling-working level (GW) to measure indoor radon decay product concentrations

1) Refer to Section 422.130(j) of this Part for a list of standard information that shall be documented.

2) Pumps and flow meters used to sample air shall be calibrated annually to ensure accuracy of volume measurements. This may be performed using a dry-gas meter or other flow measurement device of traceable accuracy.

3) Every GW device shall be calibrated in a radon (decay product) calibration chamber before being put into service, and after any repairs or modifications. Subsequent recalibrations shall be performed once every 12 months, with cross checks to a recently calibrated instrument at least semiannually. Grab measurements shall be made in a calibration chamber of known radon decay product concentrations to verify the calibration factor. These measurements shall also be used to test the collection efficiency and self-absorption of the filter material being used for sampling. A change in the filter material being used shall require that the new material be checked for collection efficiency in a calibrated chamber.

4) Counting equipment shall be checked to ensure proper operation. This shall be achieved by counting an instrument check source at least once per day prior to instrument use. The characteristics of the check source (i.e., geometry, type of radiation emitted, etc.) shall be as similar to the samples to be analyzed as possible. The count rate of the check source shall be high enough to yield good counting statistics in a short time (for example, 1000 to 10,000 counts per minute) to provide a maximum random uncertainty of 5 percent.

A) The radiological counters shall have calibration checks run daily prior to use to determine counter efficiency. These checks shall be made using an NBS-traceable alpha calibration source such as Am-241. In addition, the system background count rate shall be assessed in accordance with the manufacturer's specification.

B) Pumps and flow meters shall be checked in accordance with the manufacturer's specification to ensure accuracy of

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volume measurements. This may be performed using a dry-gas meter or other flow measurement device of traceable accuracy.

Section 422.150 Mitigation Standard

a) The Mitigation Standard (MS) includes requirements for installation of radon remediation systems and provides a basis for evaluating the quality of such installations. It provides the basis against which in-progress or completed inspections will be evaluated.

b) Radon Mitigation Professional licensees shall conduct a follow-up inspection of any radon mitigation systems installed by their firm or its subcontractors to insure compliance with the requirements of the MS.

c) Limitations

1) Where discrepancies exist between provisions of the MS and municipal codes, the municipal codes shall take precedence. However, where compliance with local codes necessitates a deviation from the MS, the licensee shall report the deviation in writing to the Department within 30 days after the completion of the mitigation.

2) Compliance with the MS does not guarantee reduction of indoor radon concentrations to any specific level.

3) Mitigation systems altered after June 1, 1998, shall be upgraded to the requirements of this Section.

4) Radon Mitigation Professional licensees shall have, as reference documents for the design, size, operation, use and selection of the most appropriate mitigation strategy for a given building, the following references, as a minimum:

- A) EPA Training Manual, "Reducing Radon In Structures," (Third Edition), January 1993.
- B) "Radon Reduction Techniques for Detached Houses, Technical Guidance (Second Edition)," EPA/625/5-87/019, January 1988.
- C) "Application of Radon Reduction Methods," EPA/625/5-88/024, August 1988.

AGENCY NOTE: Copies of these documents are available from the Department.

5) This standard is not intended to inhibit research and evaluation of innovative radon mitigation techniques. When such research is conducted, a performance standard shall be applied, i.e., post-mitigation radon levels shall be below USEPA's action level (4.0 pCi/L). Contractors deviating from standard radon mitigation technologies and methods shall notify the Department, seven working days prior to the commencement of work, and shall submit for Department approval:

- A) Written acknowledgement signed by the client stating that the client understands that the installation deviates from standard installations; and

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- d) Quality Assurance. Radon Mitigation Professional licensees shall follow the procedures specified in the Quality Assurance Program as required by Section 422.60(c)(5)(D) of this Part.
- e) General Practices. The following general practices are required for all contacts between Radon Mitigation licensees and clients.
- 1) In the initial contact with a client, the licensee shall review any available results from previous radon tests to assist in developing an appropriate mitigation strategy.
 - 2) The licensee shall refer the client to discussions of interpreting indoor radon test results and the health risk associated with the radon level found in the building and provide to the client a copy of:
 - A) USEPA "A Citizen's Guide to Radon (Second Edition)"; and
 - B) USEPA "Consumers Guide to Radon Reduction."
 - 3) Whenever a temporary radon reduction system is temporarily installed in lieu of a permanent radon reduction system, the licensee shall:
 - A) Obtain a signed acknowledgement that the client understands the temporary nature of the system;
 - B) Label the system as temporary with a label readable from at least three feet away and that states "This system is temporary and will be replaced with a permanent radon reduction system. The estimated date of installation of the permanent radon reduction system is _____."
 - C) Inform the Department when the permanent installation is postponed for over 60 days.
 - 4) The licensee shall inform the client in writing, at the time a proposal for the installation of a radon reduction system is offered, of any sealants, caulks, or bonding chemicals containing volatile solvents and of the need to ventilate work areas during and after the use of such materials. The licensee shall provide ventilation as recommended by the manufacturer of the material used.
 - f) Building Investigation
 - 1) The licensee shall conduct a thorough visual inspection of the building prior to initiating any radon mitigation work. The results of the inspection shall be recorded in detail on a drawing of the floor plan. The licensee shall identify and describe any specific building characteristics and configurations, such as large cracks in slabs, exposed earth in crawlspaces, open stairways to basements, and operational conditions, such as continuously running HVAC systems or operation windows, that may affect the design, installation, and effectiveness of radon mitigation systems.
 - A) As part of this inspection, the licensee shall request from

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- the client any available information on the building, such as construction specifications, pictures, drawings, etc., that might be valuable in determining the radon mitigation strategy.
- B) A floor-plan drawing shall be finalized from preliminary inspection sketches and shall include illustration of the building foundation, the location of load bearing walls, drain fixtures, HVAC systems and radon entry points, results of any diagnostic testing, the layout of any radon mitigation system piping, and the location of any vent fan and system warning devices.
 - C) The finalized drawing shall be an auditable part of the mitigation file and shall be available to the client, or its representatives, upon request.
 - 2) The licensee shall conduct diagnostic tests to assist in identifying and verifying radon entry points and shall document the results of these tests in writing. Such tests may include radon grab sampling, continuous radon monitoring, and the use of smoke sticks.
 - 3) The licensee shall conduct diagnostic tests to evaluate the existence of, or the potential for, backdrafting of natural draft combustion appliances and shall document the results of this evaluation in writing. The licensee shall conduct backdrafting tests in accordance with any of the following procedures:
 - A) American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE) Standard 62-1989, Appendix B, Positive Combustion Air Supply;
 - B) National Gas Code, Appendix H (p 2223.3-98), 1988, Recommended Procedure for Safety Inspection of an Existing Appliance Installation; or
 - C) A procedure, approved by the Department, that incorporates, as a minimum, all of the check list items, as a minimum, in USEPA's Radon Mitigation Standard, Section 11.3 (1)-(10), page 8, Revised April 1994.
 - 4) Licensees shall not install a fan-powered radon reduction system in any building wherein confirmed spillage from any natural combustion appliance occurs, until the licensee has confirmed that the problem has been corrected by the client. Licensees shall advise the client to contact an HVAC contractor to correct an existing or potential backdrafting condition.
 - 5) Licensees shall conduct a communication test prior to completing a proposal for the installation of a radon reduction system in any building where the characteristics of the sub-slab material are unknown to the licensee. The results of the communication test shall be documented in writing or on a drawing of the building floor plan.
 - g) Systems Design
 - 1) All radon mitigation systems shall be designed and installed as

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permanent, integral additions to a building, except in accordance with subsection (e)(1) of this Section.

- 2) All radon mitigation systems shall be designed to avoid the creation of other health, safety, or environmental hazards to building occupants, such as backdrafting of natural draft combustion appliances.

- 3) Vent pipes shall be sized so that velocity through the pipe is low enough (less than 1000 to 1500 feet per minute or less than 90 to 130 cubic feet per minute in a 4-inch diameter pipe) to avoid excessive flow noise inside the pipe and noise when the exhaust jet is released.

- 4) All radon mitigation systems and their components shall be designed to comply with the laws, ordinances, codes, and regulations of relevant jurisdictional authorities, including applicable mechanical, electrical, building, plumbing, energy and fire prevention codes.

h) Systems Installation

1) General Requirements

- A) All components of radon mitigation systems shall also be in compliance with the applicable mechanical, electrical, building, plumbing, energy and fire prevention codes, standards, and regulations of local jurisdictions.

- B) The licensee shall obtain all required licenses and permits, and display them in the work areas as required by local ordinances.

- C) Where portions of structural framing material must be removed to accommodate radon vent pipes, material removed shall be no greater than that permitted for plumbing installations by applicable building or plumbing codes.

- D) Where radon mitigation system installation requires pipes or ducts to penetrate a firewall or other fire resistance rated wall or floor, penetrations shall be protected in accordance with applicable building, mechanical, fire and electrical codes.

- E) Submersible sump pumps shall be used when installing radon mitigation systems that use sump pits as the suction point for active soil depressurization.

2) Passive System Installation in New Construction

- A) The subfloor shall be prepared with a layer of gas-permeable material placed under all concrete slabs and other floor systems that directly contact the ground and are within the walls of the living spaces of the building to facilitate future installation of a sub-slab depressurization system. The gas-permeable layer shall consist of one of the following:
 - i) A uniform layer of clean aggregate, a minimum of 4 inches (102 mm) thick. The aggregate shall consist of material that will pass through a 2-inch (51 mm) sieve

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- ii) and be retained by a 1/4-inch (6.4 mm) sieve; A uniform layer of sand (native or fill), a minimum of 4 inches (102 mm) thick, overlain by a layer of strips of geotextile drainage matting designed to allow the material flow of soil gases; or

- iii) Other materials, systems or floor designs with demonstrated capability to permit depressurization across the entire sub-floor area.

- B) A minimum of 6-mil (0.15 mm) (or 3-mil (0.075 mm) cross-laminated) flexible sheeting material shall be placed on top of the gas permeable layer prior to casting the slab or placing the floor assembly, to serve as a soil gas retarder by bridging any cracks that develop in the slab or floor assembly and to prevent concrete from entering the void spaces in the aggregate base material. The sheeting shall cover the entire floor area with separate sections of sheeting lapped at least 12 inches (305 mm). The sheeting shall fit closely around any pipe, wire or other penetrations of the material. All punctures or tears in the material shall be sealed or covered with additional sheeting.

- C) Openings (around bathtubs, showers, water closets, pipes, wires, etc.) that penetrate floor assemblies (concrete slabs, etc.) shall be filled with caulk or other sealants designed for such purpose and in accordance with the manufacturer's directions.

- D) All control joints, isolation joints, construction joints and any other joints in concrete slabs or between slabs and foundation walls shall be sealed with a caulk or sealant designed for such application. Gaps and joints shall be cleared of loose material and filled with polyurethane caulk or other elastomeric sealant designed for such application, in accordance with the manufacturer's recommendations.

- E) Condensate drains shall be trapped or routed through nonperforated pipe to daylight.

- F) Sump pits open to soil or serving as the termination point for sub-slab or exterior drain tile loops shall be covered and sealed in accordance with subsection (h)(6)(A) of this Section. Sumps used as the suction point in a sub-slab depressurization system shall have a lid designed to accommodate the vent pipe. Sumps used as a floor drain shall have a lid equipped with a trapped inlet.

- G) Hollow block masonry foundation walls shall be constructed with either a continuous course of solid masonry, one course of masonry grouted solid, or a solid concrete beam at or above finished ground surface to prevent passage of air from the interior of the wall into the living space. Where a brick veneer or other masonry ledge is installed, the course

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immediately below that ledge shall be sealed. Joints, cracks or other openings around all penetrations of both exterior and interior surfaces of masonry block or wood foundation walls below the ground surface shall be filled with polyurethane caulk or other sealant designed for such application. Penetrations of concrete walls shall be filled.

H) The exterior surfaces of portions of concrete and masonry block walls below the ground surface shall be dampproofed in accordance with local building codes.

I) Air handling units in crawlspaces shall be sealed to prevent air from being drawn into the unit, except units with gasketed seams or units that are otherwise sealed by the manufacturer to prevent leakage.

J) Ductwork passing through a crawlspace or beneath a slab shall be of seamless material unless the air-handling system is designed to maintain continuous positive pressure within such ducting. Joints in such ductwork shall be sealed to prevent air leakage with a material designed for such application and in accordance with the manufacturer's recommendation.

K) Openings around all penetrations through floors above crawlspaces shall be caulked or otherwise filled to prevent air leakage with sealants or materials designed for such application and in accordance with the manufacturer's recommendation.

L) In buildings with crawlspace foundations, the following components of a passive sub-membrane depressurization system shall be installed during construction, except in buildings in which a crawlspace ventilation system approved under local building codes is installed.

M) Crawlspaces shall be provided with vents to the exterior of the building. The maximum net area of ventilation openings shall comply with local building codes.

N) The soil in crawlspaces shall be covered with a continuous layer of minimum 6-mil (0.15 mm) polyethylene ground cover. The ground cover shall be lapped and sealed a minimum of 12 inches (305 mm) at joints and shall extend to and be sealed against all foundation walls enclosing the crawlspace area.

O) A plumbing tee or other connection approved under local building codes shall be inserted horizontally beneath the sheeting and connected to a 30- or 40-inch diameter (76 mm or 102 mm) fitting with a vertical vent pipe installed through the sheeting. The plumbing tee or other connection shall be kept free of materials and open. The vent pipe shall extend up through the building floors and shall terminate at least 12 inches (305 mm) above the roof in a location at least 10 feet (3048 mm) away from any window or

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other opening into conditioned spaces of the building that is less than 2 feet (610 mm) below the exhaust point, and 10 feet (3048 mm) from any window or opening in adjoining or adjacent buildings.

P) In basement or slab-on-grade buildings, the following components of a passive sub-slab depressurization system shall be installed during construction:

i) A minimum 3-inch diameter (76 mm) gas-tight pipe, in accordance with the requirements of this standard, shall be embedded vertically into the sub-slab aggregate or other permeable material before the slab is cast. A plumbing tee or other design approved under local building codes specific to this application shall be used to ensure that the pipe opening remains within the sub-slab permeable material.

Alternatively, the 3-inch (76 mm) pipe shall be inserted directly into an interior perimeter drain tile loop or through a sealed sump cover where the sump is exposed to the sub-slab aggregate or connected to it through a drainage system.

ii) The pipe shall be extended up through the building floors, terminate at least 12 inches (305 mm) above the surface of the roof, in a location at least 10 feet (3048 mm) away from any window or other opening into the conditioned spaces of the building that is less than 2 feet (610 mm) below the exhaust point, and 10 feet (3048 mm) from any window or other opening in adjoining or adjacent buildings.

iii) In buildings where interior footings or other barriers separate the sub-slab aggregate or other gas-permeable material, each area shall be fitted with an individual vent pipe. Vent pipes shall connect to a single vent that terminates above the roof or each individual vent pipe shall terminate separately above the roof.

Q) Combination basement/crawlspace or slab-on-grade/ crawlspace foundations shall have separate radon vent pipes installed in each type of foundation area. Each radon vent pipe shall terminate above the roof or shall be connected to a single vent that terminates above the roof in accordance with the requirements of this standard.

R) Joints in air ducts and plenums in unconditioned spaces, thermal envelope air infiltration, and firestopping shall meet the requirements of local building codes.

S) To provide for future activation of the passive installation with the installation of a vent fan, an electrical circuit terminated in a box approved under local electrical codes shall be installed during construction and shall be located as directed in the building plan to ensure accessibility of

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electrical supply to an anticipated vent pipe fan. An electrical supply shall also be accessible in anticipated locations of system failure alarms.

AGENCY NOTE: Passive radon reduction systems are not required components of new building constructions. However, if a radon reduction system is incorporated into the construction of a new building, it shall be installed in accordance with all the requirements of this standard; specific requirements applicable to new construction are described in this Section.

3) Radon Vent Pipe Installation

A) All joints and connections in radon mitigation systems using plastic vent pipes shall be permanently sealed with adhesives as specified by the manufacturer of the pipe material used, with two exceptions:

- i) If radon vent pipes are installed in sump pits, the system shall be designed with removable or flexible couplings to facilitate removal of the sump pump cover and for sump pump maintenance; and
- ii) To facilitate maintenance and future replacement, radon vent fans shall be installed in the vent pipe using removable couplings or flexible connections that can be tightly secured to both the fan and the vent pipe.

B) Attic and external piping runs shall be directed vertically with no obstructions in the discharge except for a rodent screen of wire mesh no smaller than one-fourth inch. Rain caps shall not be installed in the discharge.

C) Radon vent pipes shall be fastened to the structure of the building with hangers, strapping, or other supports that will adequately secure the vent material. Existing plumbing pipes, ducts, or mechanical equipment shall not be used to support or secure a radon vent pipe.

D) Supports for radon vent pipes shall be installed at least every 6 feet on horizontal runs. Vertical runs shall be secured either above or below the points of penetration through floors, ceilings, and roofs, or at least every 8 feet on runs that do not penetrate floors, ceilings, or roofs.

E) To prevent blockage of air flow into the bottom of radon vent pipes, these pipes shall be supported or secured in a permanent manner that prevents their downward movement to the bottom of suction pits or sump pits, or into the soil beneath an aggregate layer under a slab.

F) Radon vent pipes shall be installed in a configuration that ensures that any rain water or condensation within the pipes drains downward into the ground beneath the slab or soil gas retarder membrane.

G) Radon vent pipes shall not block access to any areas

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requiring maintenance or inspection. Radon vents shall not be installed in front of or interfere with any light, opening, door, window or equipment access area required by code.

H) To prevent re-entrainment of radon, the point of discharge from vents of fan-powered soil depressurization and block wall depressurization systems shall meet all of the following requirements:

- i) Above the eave of the roof;
- ii) 10 feet or more above ground level;
- iii) 10 feet or more from any window, door, or other opening into conditioned spaces of the structure that is less than 2 feet below the exhaust point; and
- iv) 10 feet or more from any opening into an adjacent building.

I) The total required distance (10 feet) from the point of discharge to openings in the structure may be measured either directly between the two points or be the sum of measurements made around intervening obstacles. The exhaust point shall be positioned above the highest eave of the building and as close to the roof ridge line as possible.

J) When a radon mitigation system is designed to draw soil gas from a perimeter drain tile loop (internal or external) that discharges water through a drain line to daylight or a soakaway, a one-way flow valve, water trap, or other control device shall be installed in or on the discharge line to prevent outside air from entering the system while allowing water to flow out of the system.

4) Radon Vent Fan Installation

A) Vent fans used in radon mitigation systems shall be designed or otherwise sealed to reduce the potential for leakage of soil gas from the fan housing.

B) Radon vent fans shall be sized in accordance with field pressure extension measurements.

C) Radon vent fans used in active soil depressurization or block wall depressurization systems shall be installed in attics, in garages that are not beneath conditioned spaces, or on the exterior of the building. Radon vent fans shall not be installed below ground nor in the conditioned (heated/cooled) space of a building, nor in any basement, crawlspace, or other interior location directly beneath the conditioned spaces of a building.

D) Radon vent fans shall be installed in a configuration that avoids condensation buildup in the fan housing. Fans shall be installed in vertical runs of the vent pipe.

E) Radon vent fans shall be mounted and secured in a manner that minimizes transfer of vibration to the structural framing of the building.

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- F) Radon vent fans shall be mounted in the vent pipe with removable couplings or flexible connections to facilitate fan removal for repair or replacement.
- G) The intakes of fans used in crawlspace depressurization, or in pressurizing the building itself, shall be screened or filtered to prevent ingestion of debris or personal injury. Screens or filters shall be removable to permit cleaning or replacement and building owners shall be informed of the need to periodically replace or clean such screens and filters. This information shall be included in documentation provided to the client.
- 5) Suction Pit Requirement for Sub-Slab Depressurization (SSD) Systems. To provide optimum pressure field extension of the sub-slab communication zone, 12 to 20 gallons or 1.5 to 2.5 cubic feet of sub-slab strata shall be excavated from the area immediately below the slab penetration point of SSD system vent pipes.
- 6) Sealing Requirements
- A) Sump pits that permit entry of soil gas or that would allow conditioned air to be drawn into a sub-slab depressurization system shall be covered and sealed. The covers on sumps that previously provided protection or relief from surface water collection shall be fitted with a water or mechanically trapped drain. Water traps shall be fitted with an automatic supply of priming water. Sump pit covers shall be made of durable plastic or plexiglas and designed to permit air-tight sealing. To permit easy removal for sump pump servicing, the cover shall be sealed using silicone or other non-permanent type caulking materials or an air-tight gasket.
- B) Openings around radon vent pipe penetrations of the slab, the foundation walls, or the crawlspace soil gas retarder membrane shall be cleaned, prepared and sealed in a permanent, air-tight manner using compatible caulks or other sealants. Openings around other utility penetrations of the slab, walls, or soil gas retarder shall also be sealed. Cracks in slabs and other small openings around penetrations of the slab and foundation walls shall be cleaned, prepared, and sealed in a permanent air-tight manner using caulks or other sealants designed for such application.
- C) Where a Block Wall Depressurization (BWD) system is used to mitigate radon, openings in the tops of such walls and all accessible openings or cracks in the interior surfaces of the walls shall be cleaned, prepared and sealed with caulks or other sealants designed for such application. When sealing holes for plumbing rough-in or other large openings in slabs and foundation walls that are below the ground surface, non-shrink mortar, grouts, expanding foam, or other

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- sealants designed for such application shall be used.
- D) Openings or cracks that are determined to be inaccessible or beyond the ability of the licensee to seal shall be disclosed to the client and included in the documentation.
- E) Openings, perimeter channel drains or cracks that exist where the slab meets the foundation wall (floor-wall joint), shall be sealed with urethane caulk or other sealants designed for such application. When the opening or channel is greater than 1/2 inch in width, a foam backer rod shall be inserted in the channel before application of the sealant. This sealing technique shall be done in a manner that retains the channel feature as a water control system. Other openings or cracks in slabs or at expansion or control joints should also be sealed.
- F) When installing baseboard type suction systems, all seams and joints in the baseboard material shall be joined and sealed using materials recommended by the manufacturer of the baseboard system. Baseboards shall be secured to walls and floors with adhesives designed and recommended for such installations. If a baseboard system is installed on a block wall foundation, the tops of the blockwall shall be closed and sealed in accordance with the manufacturer's recommendation.
- G) Any seams in soil gas retarder membranes used in crawlspaces for sub-membrane depressurization systems shall be overlapped at least 12 inches and sealed. To enhance the effectiveness of sub-membrane depressurization systems, the membrane shall also be sealed around interior piers and to the inside of exterior walls.
- H) In combination with basement/crawlspace foundations, where the crawlspace has been confirmed as a source of radon entry, access doors and other openings between the basement and the adjacent crawlspace shall be closed and sealed. Access doors required by code shall be fitted with air tight gaskets and a means of positive closure, but shall not be permanently sealed. In cases where both the basement and the adjacent crawlspace areas are being mitigated with active SSD and SMD systems, sealing of the openings between those areas is not required.
- I) When crawlspace depressurization is used for radon mitigation, openings and cracks in floors above the crawlspace that would permit conditioned air to pass out of the living spaces of the building, shall be identified, closed, and sealed. Sealing of openings around hydronic heat or steam pipe penetrations shall be done using non-combustible materials.
- 7) Electrical Requirements
- A) All electrical components of radon mitigation systems shall

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conform to provisions of the National Electric Code and any additional local regulations.

- B) Wiring shall not be located in or chased through the mitigation installation ducting or any other heating or cooling ductwork.
 - C) Any plugged cord used to supply power to a radon vent fan shall be no longer than 6 feet in length.
 - D) No plugged cord shall penetrate a wall or be concealed within a wall.
 - E) Radon mitigation fans installed on the exterior of buildings shall be hard-wired into an electrical circuit. Plugged fans shall not be used outdoors.
 - F) If the rated electricity requirements of a radon mitigation system fan exceeds 50 percent of the circuit capacity into which it will be connected, or if the total connected load on the circuit (including the radon vent fan) exceeds 80 percent of the circuit's rated capacity, a separate, dedicated circuit shall be installed to power the fan.
 - G) An electrical disconnect switch or circuit breaker shall be installed in radon mitigation system fan circuits to permit deactivation of the fan for maintenance or repair. Disconnect switches are not required with plugged fans.
- 8) Drain Installation Requirements
- A) If drains discharge directly into soil beneath the slab or through solid pipe to a soakaway, the licensee shall install a drain that meets local building codes. (See Sealing Requirements, subsection (h)(6) of this Section.)
 - B) If condensate drains from air conditioning units terminate beneath the floor slab, the licensee shall install a trap in the drain that provides a minimum 6-inch standing water seal depth, reroute the drain directly into a trapped floor drain, or reconnect the drain to a condensate pump.
 - C) Perimeter (channel or French) drains shall be sealed with backer rods and urethane or comparable sealants in a manner that will retain the channel feature as a water control system. (See Sealing Requirement, subsection (h)(6) of this Section.)
 - D) When a sump pit is the only system in a basement for protection or relief from excess surface water and a cover is installed on the sump for radon control, the cover shall be recessed and fitted with a trapped drain meeting the requirements of subsection (h)(6) of this Section.
- 9) HVAC Installation Requirements
- A) Modifications to an existing HVAC system that are proposed to mitigate elevated levels of radon should be reviewed and approved by the original designer of the system or by a licensed mechanical contractor.
 - B) Foundation vents, installed specifically to reduce indoor

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radon levels by increasing the natural ventilation of a crawlspace, shall be non-closeable. In areas subject to sub-freezing conditions, the existing location of water supply and distribution pipes in the crawlspace, and the need to insulate or apply heat tape to those pipes, shall be considered when selecting locations for installing foundation vents.

- C) Heat Recovery Ventilation (HRV) systems shall not be installed in rooms that contain friable asbestos.
 - D) In HRV installations, supply and exhaust ports in the interior shall be located a minimum of 12 feet apart. The exterior supply and exhaust ports shall be positioned to avoid blockage by snow or leaves and be a minimum of 10 feet apart.
 - E) Contractors installing HRV systems shall verify that the incoming and outgoing airflow is balanced to ensure that the system does not create a negative pressure within the building. Contractors shall inform building owners that periodic filter replacement and inlet grill cleaning are necessary to maintain a balanced airflow. Information on filter replacement and inlet grill cleaning shall be provided to the client and shall be included in the documentation.
 - F) Both internal and external intake and exhaust vents in HRV systems shall be covered with wire mesh or screening to prevent entry of animals or debris or injury to occupants.
- 10) Materials
- A) As a minimum, all plastic vent pipes in mitigation systems shall be smooth-walled, rated for 125 psi service (American Society for Testing and Materials (ASTM) D-1785 or 2665; F-891-90), schedule 40 PVC, metal or thick wall sewer and drain vent pipe (the same material that plumbers use to run vent stacks).
 - B) Piping routed exteriorly shall be rated against deterioration from ultra-violet radiation from the sun.
 - C) Exteriorly, PVC or metal downspout may be used as the vent pipe.
 - D) Vent pipe fittings in a mitigation system shall be of the same material as the vent pipes.
 - E) Cleaning solvents and adhesives used to join plastic pipes and fittings shall be as recommended by manufacturers for use with the type of pipe material used in the mitigation system.
 - F) When sealing holes for plumbing rough-in or other large openings in slabs and foundation walls that are below the ground surface, non-shrink mortar, grouts, expanding foam or other sealants designed for such application shall be used.
 - G) Penetrations of sump covers to accommodate electrical

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wiring, water ejection pipes, or radon vent pipes shall be designed to permit air-tight sealing around penetrations, using caulk or grommets.

AGENCY NOTE: Sump covers that permit observation of conditions in the sump pit are recommended.

- H) Plastic sheeting installed in crawlspaces as soil gas retarders shall be a minimum of 6 mil (3 mil cross-laminated) polyethylene or equivalent flexible material. Heavier gauge sheeting should be used when crawlspaces are used for storage, or frequent entry is required for maintenance of utilities.

- I) Any wood used in attaching soil gas retarder membranes to crawlspace walls or piers shall be pressure treated or naturally resistant to decay and termites.

11) Monitors and Labeling

- A) All active soil depressurization and block wall depressurization radon mitigation systems shall include a mechanism suitable to the client to monitor system performance and warn of system failure.

- B) Electrical radon mitigation system monitors (whether visual or audible) shall be installed on non-switched circuits and be designed to reset automatically when power is restored after service or power supply failure. Battery operated monitoring devices shall not be used unless they are equipped with a low-power warning feature.

- C) Mechanical radon mitigation system monitors, such as manometer type pressure gauges, shall be clearly marked to indicate the range or zone of pressure readings that existed when the system was initially activated.

- D) A system description label shall be placed on the vent pipe at a level suitable to the client above the suction pit, the electrical service entrance panel, and on other prominent locations. This label shall be legible from a distance of three feet to the client and include the following information, "Radon Reduction System," the installer's name, phone number, and Illinois license number, the date of installation and an advisory that the building should be tested for radon at least every 2 years.

- E) All exposed and visible interior radon mitigation system vent pipe sections shall be identified with at least one label on each floor level that reads, "Radon Reduction System - Do Not Tamper With This Pipe".

- F) Fans mounted outdoors and exterior vent pipe shall be identified with a label that reads, "Radon Reduction System - Do Not Tamper".

- G) Sump pits used as suction pits shall be identified with a label that reads, "Radon Reduction System - Removal of this cover may result in failure of the Radon Reduction System."

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Consult installer's name and phone number before removing this cover and for instructions on the correct procedure for replacing it".

- H) Circuit breakers controlling the circuits on which the radon vent fan and system failure warning devices operate shall be labeled "Radon System."

12) Post-Mitigation Testing

- A) Upon completion of the installation of any active radon control system (SSD), the licensee shall document the following on an installation checksheet which shall be signed and dated by a licensed individual employed by the licensee and shall become auditable evidence of the performance of the following:

- i) Re-examine and verify the integrity of the fan mounting seals and all joints in the interior vent piping;

- ii) Measure suction or flows in system piping or ducting to assure that the system is operating as designed;

- iii) Test for backdrafting of any natural draft combustion appliances;

- iv) Evaluate the effectiveness of the mitigation system using an RMP listed test device to assure that the system is performing as designed;

- v) Advise the client to retest the building at least every 2 years or if the building undergoes significant alteration;

- vi) Recommend to the client that a mitigation system effectiveness test be conducted by an independent Radon Measurement Professional licensee; and

- vii) Request a copy of the report of any post-mitigation testing conducted by the client or by a Radon Measurement Professional licensee.

- B) Radon Mitigation Professional licensees shall inform the client in writing that post-mitigation testing should be conducted no sooner than 24 hours nor later than 30 days following completion and activation of the mitigation system and that the test may be conducted by the licensee if the licensee is also a Radon Measurement Professional licensee, an independent Radon Measurement Professional licensee or by the client.

13) Contracts and Documentation

- A) A proposal for the installation of any radon mitigation system shall include as a minimum:

- i) The licensee's registration number;
- ii) A statement describing the planned scope of the work and an estimated completion date;
- iii) A statement describing any known hazards associated with chemicals used in or as part of the installation;

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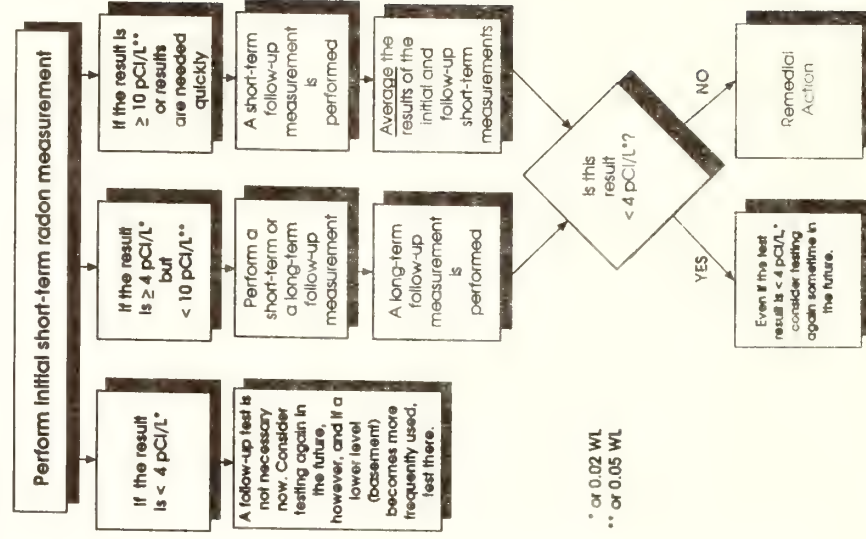
- iv) A statement indicating compliance with and implementation of the mitigation standards described in this Section;
 - v) A description of any system maintenance that the building owner would be required to perform;
 - vi) An estimate of the installation cost and annual operating costs of the system; and
 - vii) Any warranty or guarantees and the conditions thereof.
- B) Licensees shall maintain the following records for 3 years or for the period of any warranty or guarantees, whichever is longer, and shall make the following records available to the homeowner upon request and documentation of home ownership:
- i) Any building permits required by local codes;
 - ii) Copies of the building investigation summary and floor plan sketch;
 - iii) Pre- and post-mitigation radon test data;
 - iv) Copies of contracts and warranties;
 - v) A description of the mitigation system installed and its basic operating principles;
 - vi) A description of any deviations from the MS and applicable regulations of this Part;
 - vii) A description of the proper operating procedures of any mechanical or electrical systems installed, including manufacturer's operation and maintenance instructions and warranties; and
 - viii) The proposal, contract, and warranties or guarantees made to the client, and any other documentation important to the mitigation system installed.
- C) Licensees shall, upon completion of the mitigation project, provide clients with an information package that includes:
- i) A list of appropriate actions for clients to take if the system failure warning device indicates system degradation or failure; and
 - ii) The name, telephone number, and registration number of the licensee and the phone number of the State radon program.

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Section 422.APPENDIX A Recommended Testing Strategy for Determining the Need for Mitigation in Homes

Section 422. Appendix A Recommended Testing Strategy for Determining the Need for Mitigation in Homes



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AGENCY NOTE: This graphic has been taken from the Protocols for Radon and Radon Decay Product Measurements in Homes, EPA 402-R-93-003, June 1993.

Section 422.APPENDIX B Radon and Radon Decay Product Measurement Method Categories

A (pCi/L)

B (WL)

AC	Activated charcoal adsorption integrating	RP	Radon progeny sampling unit
AT	Alpha track detection	CW	Continuous monitor
LS	Charcoal liquid scintillation		
CR	Continuous radon monitor		
PB	Pump-collapsible bag		
SC	Evacuated scintillation cell (three day integrating)		
EL	Electret ion chamber; long-term		
ES	Electret ion chamber; short-term		
UT	Unfiltered track detection		

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Section 422.APPENDIX C Sample Notice

Radon Measurement in Progress

THIS NOTICE IS POSTED IN ACCORDANCE WITH TITLE 32, CHAPTER II,
SUBCHAPTER B: RADIATION PROTECTION, MEASUREMENT PROTOCOL, 422.130(E).
Tampering with a radon or radon progeny measurement is prohibited
by law and may result in civil penalties.

Removal of this Notice, except by the Radon Measurement Professional licensee
named below, is considered tampering.

Radon Measurement Professional licensee: _____

License No.: _____

Company: _____

Telephone No(s): _____

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NOTICE OF PROPOSED REPEALER

1) Heading of the Part: Registration of Radon Detection and Mitigation Services

2) Code Citation: 32 Ill. Adm. Code 420

3) Section Number: Proposed Action:

420.10	Repeal
420.20	Repeal
420.30	Repeal
420.40	Repeal
420.50	Repeal
420.60	Repeal
420.70	Repeal
420.80	Repeal

4) Statutory Authority: Implementing and authorized by the Radon Testing Act [420 ILCS 45].

5) A Complete Description of the Subjects and Issues Involved: The Department of Nuclear Safety is proposing to repeal this Part and replace it with a new Part 422 entitled "Licensing of Radon Detection and Mitigation Services" which will reflect the requirements contained in the Radon Industry Licensing Act (P.A. 90-262).

6) Will this proposed repealer replace an emergency rule currently in effect?
No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed repealer contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: The repeal of this Part is not expected to require local governments to establish, expand, or modify their activities in such a way as to necessitate additional expenditures from local revenues.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments on this proposed rulemaking may be submitted in writing for a period of 45 days following publication of this notice. The Department will consider fully all written comments on this proposed rulemaking submitted during the 45 day comment period. Comments should be submitted to:

Thomas J. Carlisle
Senior Staff Attorney
Department of Nuclear Safety

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1035 Outer Park Drive
Springfield, Illinois 62704
(217) 785-9884 (voice)
(217) 782-6133 (TDD)

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Repealer begins on the next page:

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NOTICE OF PROPOSED REPEALER

TITLE 32: ENERGY

CHAPTER II: DEPARTMENT OF NUCLEAR SAFETY
SUBCHAPTER b: RADIATION PROTECTION

PART 420

REGISTRATION OF RADON DETECTION AND MITIGATION SERVICES (REPEALED)

Section	Policy and Scope
420.10	Definitions
420.20	Exemptions
420.30	Application for Registration
420.40	Issuance of Registration Certificates
420.50	Fees
420.60	Suspension and Revocation of Registration
420.70	Civil Penalties
420.80	

AUTHORITY: Implementing and authorized by the Radon Testing Act [420 ILCS 45].

SOURCE: Adopted at 14 Ill. Reg. 19308, effective November 26, 1990; amended at 20 Ill. Reg. 12608, effective September 6, 1996; repealed at 22 Ill. Reg. _____, effective _____.

Section 420.10 Policy and Scope

- a) This Part establishes standards and procedures for registration of persons who perform any service to detect the presence of radon or radon progeny. Nothing in the Act or this Part shall be construed to limit or affect in any respect the practice of persons properly licensed under other statutes or regulations with respect to their professions.
- b) This Part shall apply to any person who sells devices or who performs services for compensation to detect the presence of radon or radon progeny in the State, unless specifically exempt under "AN ACT in relation to radon testing" (Ill. Rev. Stat. 1989, ch. 111 1/2, par. 242-1 et seq.) or under Section 420.30.
- c) This Part shall apply to persons who supervise students or apprentices for purposes of instructing them how to perform radon detection services.

Section 420.20 Definitions

As used in this Part, the following definitions apply:

"Act" means "AN ACT in relation to radon testing" (Ill. Rev. Stat. 1989, ch. 111 1/2, par. 242-1 et seq.).

"Certificate of Registration" means the certificate issued by the

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Department as evidence that a person satisfies the requirements for registration or provisional registration.

"Department" means the Illinois Department of Nuclear Safety.

"Individual" means a natural person, i.e., a person that is not a governmental body, firm, association, partnership, copartnership, joint venture, company, corporation, joint stock company, trust, estate or other legal entity.

"Person" means any natural person or individual, governmental body, firm, association, partnership, copartnership, joint venture, company, corporation, joint stock company, trust, estate or other legal entity.

"Radon" means any of the gaseous radioactive decay products of uranium or thorium.

"Radon progeny" means any combination of the radioactive decay products of radon.

"Registration" means the registration granted by the Department which authorizes a person to perform services to detect the presence of radon.

Section 420.30 Exemptions

- a) The Department shall, upon application therefor or upon its own initiative, grant such exemptions or exceptions from the requirements of this Part as it determines are authorized by law and will not result in a hazard to public health and safety, e.g., an industrial hygienist who performs radon tests at his employer's facilities in the course of his employment, state and local public health officials who perform radon screening services without charge to the recipient of the service.
- b) The following persons are exempt from the registration requirements of this Part:
 - 1) Persons who sell or distribute, but who do not place, radon sampling devices supplied by a laboratory, but only if the results of the laboratory analysis are reported directly to the owner or occupant of the building sampled; and
 - 2) Persons who manufacture or analyze, but who do not place, radon sampling devices, but only if the results of the laboratory analysis are reported directly to the owner or occupant of the building being sampled.

Section 420.40 Application for Registration

Any person applying for initial registration, or renewal of registration must

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submit a complete and legible application form, must pay the fee prescribed in Section 420.60, and must provide documentation that he or she has met the requirements for initial registration, or renewal of registration. Such documentation shall include diplomas, transcripts, certificates of completion and work history, as appropriate.

Section 420.50 Issuance of Registration

a) Registration

1) Except as provided in subsection (b) of this Section, the Department shall register and shall issue a Certificate of Registration to:

- A) Any individual who has at least 4 years of radiological safety, environment sampling, or industrial hygiene experience.
- B) Any individual who has an Associate of Arts degree in a physical or biological science and 2 years of radiological safety, environmental sampling, or industrial hygiene experience.
- C) Any individual who has a Baccalaureate degree in a physical or biological science or engineering.
- D) Any individual who has successfully completed a course that covers the following topics:
 - i) Radon Health Effects and Health Risks;
 - ii) Radon Sources;
 - iii) Radon Entry Points and Transport Pathways;
 - iv) Screening Measurement Techniques and Devices;
 - v) Follow-up Measurement Techniques and Devices;
 - vi) Diagnostic Measurement Techniques and Devices;
 - vii) Quality Assurance;
 - viii) Worker Health and Safety; and
 - ix) Documentation.

Agency Note: Each of the following courses covers the topics identified in subsection (a)(1)(D) of this Section:

United States EPA Radon Contractor Proficiency Program as described in the "EPA Radon Contractor Proficiency Program," issued September 7, 1990.

United States EPA Radon Measurement Proficiency Program as described in the "National Radon Measurement Proficiency (RMP) Program, Application and Participation Manual," EPA document #52011-88-056 (December 1988).

The Illinois Department of Nuclear Safety Measurement Course.

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E) Copies of the two U.S. EPA documents are available from the Department. Any person other than an individual, (e.g., a partnership, firm or company) who employs at least one individual, registered in accordance with subsection (a)(1)(A), (B), (C) and (D) of this Section, provided that the registered individual will direct and be responsible for all radon testing activities undertaken by the person and provided further that the registered individual will personally review and approve all test results before they are disclosed to the client.

2) The registration issued pursuant to subsection (a)(1)(A), (B), (C) and (D) of this Section shall be valid for a period of 2 years. Registration issued pursuant to subsection (a)(1)(E) of this Section shall be valid for one year.

b) The Department shall deny registration to any person if the Department has evidence that the applicant has engaged in any of the acts listed in Section 420.70(a) of this Part unless the condition listed in Section 420.70(a) of this Part no longer exists and the applicant submits documentation that he satisfies the requirements of subsection (a) of this Section.

c) The Department shall refuse to issue or renew registration to any individual if the Department has evidence that the applicant is delinquent in the repayment of an educational loan guaranteed by the Illinois Student Assistance Commission, as set forth in 20 ILCS 2005/71.

d) The Department shall refuse to issue or renew registration to any individual, after an opportunity for a hearing, if the Department has evidence that the applicant is delinquent in the payment of child support orders pursuant to the provisions and procedures set forth in 5 ILCS 100/10-65.

e) Registration issued pursuant to subsection (a)(1)(A), (B), (C) and (D) of this Section shall be renewable for 2 year periods. Registration issued pursuant to subsection (a)(1)(E) of this Section shall be renewable for 1 year periods.

Section 420.60 Fees

a) The fees for registration in all categories shall be non-refundable and shall be as follows:

- | | |
|---|-----------|
| 1) Initial Registration - Individual | \$ 100.00 |
| 2) Initial Registration - Person | |
| Other Than Individual | \$ 25.00 |
| 3) Renewal of Registration - Individual | \$ 100.00 |
| 4) Renewal of Registration - Persons | |
| Other Than Individual | \$ 25.00 |

b) The appropriate fees are to accompany the application when filed with the Department.

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Section 420.70 Suspension and Revocation of Registration

a) The Department may act to suspend or revoke a person's registration for any one or a combination of the following causes:

- 1) Knowingly causing a material misstatement or misrepresentation to be made in the application for registration, if such misstatement or misrepresentation would impair the Department's ability to assess and evaluate the applicant's qualifications for registration under this Part, such as a misstatement or misrepresentation regarding training or experience;
- 2) Willfully evading the statute or regulations pertaining to registration, or willfully aiding another person in evading such statute or regulations pertaining to registration;
- 3) Having been convicted in any State of a crime which is a felony under the laws of this State or having been convicted of a felony in a federal court, unless such individual demonstrates to the Department that he/she has been sufficiently rehabilitated, by restoration of all civil rights, to warrant the public trust;
- 4) Misrepresenting the capabilities of a device for detecting and measuring radon or radon progeny or intentionally misrepresenting the results of a test to detect or measure radon or radon progeny;

- 5) Failing to repay an educational loan guaranteed by the Illinois Student Assistance Commission as provided in 20 ILCS 2005/71; and
- 6) Failing to meet child support orders as provided in 5 ILCS 100/10-65.

b) If, based upon any of the grounds in subsection (a) of this Section, action to suspend or revoke registration is initiated, the Department shall notify the person and shall provide an appointment for hearing in accordance with 32 Ill. Adm. Code 200.60. An opportunity for hearing shall be provided before the Department takes action to suspend or revoke a person's registration.

c) The usual action shall be a suspension of registration for up to one year. The term of suspension shall be reduced by the Director, upon the recommendation of the hearing officer, if the hearing officer finds, based upon evidence presented to him/her at a hearing, and the Director concurs, that the conditions leading to the Preliminary Order for Suspension can be cured in less than one year. However, if the Department finds that the causes are of a serious or continuous nature, such as past actions which posed an immediate threat to public health or safety, deficiencies that cannot be cured within one year or frequent child support arrearages, the Department shall revoke the person's registration.

d) When a person's registration is suspended or revoked, the person shall surrender the certificate of registration to the Department.

e) A person whose registration has been revoked may seek reinstatement of registration by filing with the Department a petition for reinstatement. Such petition may be filed one year or more after the

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beginning of the revocation period. The person shall be afforded a hearing in accordance with 32 Ill. Adm. Code 200 and shall bear the burden of proof of establishing that the registration should be reinstated due to rehabilitation.

Section 420.80 Civil Penalties

a) The Department shall assess civil penalties, in accordance with subsection (c), against any unregistered person who sells a device or performs a service, for compensation, for determining the presence of radon or radon progeny, unless such person is exempt from the registration requirements as specified in Section 420.30.

b) Prior to assessing civil penalties, the Department shall confirm the violation of the registration requirements by:

- 1) Observation of the violation by a Departmental employee;
- 2) Obtaining records, documents, or other physical evidence; or
- 3) Obtaining signed, written statements from persons that allege a violation has occurred.

c) Civil Penalties as provided in subsection (a) shall be assessed as follows:

- 1) First violation by an unregistered person - \$500.00
- 2) Subsequent violation by an unregistered person - \$1,000.00
- 3) Failure of a registered individual to direct and supervise radon testing activities of the unregistered employee of a registered business or to review and approve test results prepared by an unregistered employee prior to sending them to the client - \$1,000.00.

4) Failure of a registered person (business) to supervise its unregistered employees - \$1,000.00.

d) The Department shall impose civil penalties by issuing a Preliminary Order and Notice of Opportunity for Hearing as provided in 32 Ill. Adm. Code 200.60. Each day a violation occurs shall constitute a separate offense.

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Professional Geologist Licensing Act

2) Code Citation: 68 Ill. Adm. Code 1252

3) Section Numbers: Proposed Action:
1252.10 Amendment
1252.50 Amendment

4) Statutory Authority: Implementing the Professional Geologist Licensing Act [225 ILCS 745] and authorized by Section 60(7) of the Civil Administration Code of Illinois [20 ILCS 2105/60(7)].

5) A Complete Description of the Subjects and Issues Involved: A review of applications of currently practicing professional geologists found that many did not have a degree in geology, but had completed all of the required coursework; accordingly, the education requirement has been amended to include completion of either an undergraduate or graduate degree if the applicant's transcripts indicated they had in fact completed all the coursework required in Section 1252.40 of this Part. The Department has also chosen to accept, upon recommendation of the Board, the cumulative total of professional geological work or research of university faculty members under certain conditions. Finally, the experience requirement of 1,800 hours per year for 4 years threatened to disenfranchise many current professional geologists, who often had 15 or 20 years experience but failed to meet the full-time criteria. Therefore, this rulemaking provides one year of credit for 1500 hours experience, regardless of whether it was full- or part-time.

6) Do these proposed Rules replace an emergency Rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed Rules contain incorporations by reference? No

9) Are there any other proposed Rules pending on this Part? No

10) Statement of Statewide Policy Objectives (if applicable): This rulemaking has no effect on local governments.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may submit written comments to:

Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0813
Fax #: 217/782-7645

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

All written comments received within 45 days after this issue of the *Illinois Register* will be considered.

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: Those providing professional geological services.

B) Reporting, bookkeeping or other procedures required for compliance:
None

C) Types of professional skills necessary for compliance: Professional geologist education and experience are necessary for licensure.

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments are identical to the text of the Emergency Amendments which appear in this issue of the Illinois Register on page 350.

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Retailers' Occupation Tax

2) Code Citation: 86 Ill. Adm. Code 130

3) Section Numbers: Proposed Action:
130.2070 Amendment

4) Statutory Authority: 35 ILCS 120/12

5) A Complete Description of the Subjects and Issues Involved: This rulemaking implements the provisions of Public Act 90-289, effective August 1, 1997. The regulations provide that sales of nonreusable tangible personal property to food and beverage vendors, including persons engaged in the business of operating restaurants, drive-ins and cafeterias, are sales for resale provided that such property is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package or consume food or beverages, regardless of where consumption of the food or beverage occurs. The regulation provides examples of tangible personal property which fall within this exemption.

6) Will this proposed rule replace an emergency rule currently in effect: No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part: Yes

<u>Section Numbers</u>	<u>Proposed Action</u>	<u>IL Register Citation</u>
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130.1945	Amendment	1/23/98, 22 Ill. Reg. 2070
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10) Statement of Statewide Policy Objectives: This rulemaking does not impose a State Mandate.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this notice to:

Jerilynn T. Gorden
Senior Counsel, Sales and Excise Tax
Illinois Department of Revenue
Legal Services Office
101 West Jefferson
Springfield, Illinois 62794
(217) 782-6996

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: Vendors of food and beverages; persons that provide such vendors with nonreusable tangible personal property used to deliver, package or consume food and beverages.

B) Reporting, bookkeeping or other procedures required for compliance: None beyond those currently required.

C) Types of professional skills necessary for compliance: No additional skills beyond those already required are necessary for compliance.

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendment(s) begins on the next page:

DEPARTMENT OF REVENUE

NOTICE OF PROPOSED AMENDMENTS

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 130

RETAILERS' OCCUPATION TAX

SUBPART A: NATURE OF TAX

Section
130.101
130.105
130.110
130.111
130.115
130.120

Character and Rate of Tax
Responsibility of Trustees, Receivers, Executors or Administrators
Occasional Sales
Sale of Used Motor Vehicles by Leasing or Rental Business
Habitual Sales
Nontaxable Transactions

SUBPART B: SALE AT RETAIL

Section
130.201
130.205
130.210
130.215
130.220

The Test of a Sale at Retail
Sales for Transfer Incident to Service
Sales of Tangible Personal Property to Purchasers for Resale
Further Illustrations
Sales to Lessors of Tangible Personal Property

SUBPART C: CERTAIN STATUTORY EXEMPTIONS

Section
130.305
130.310
130.315
130.320
130.321
130.325
130.330
130.331
130.335
130.340
130.345
130.350

Farm Machinery and Equipment
Food, Drugs, Medicines and Medical Appliances
Fuel Sold for Use in Vessels on Rivers Bordering Illinois
Gasohol
Fuel Used by Air Common Carriers in International Flights
Graphic Arts Machinery and Equipment Exemption
Manufacturing Machinery and Equipment
Manufacturer's Purchase Credit
Pollution Control Facilities
Rolling Stock
Oil Field Exploration, Drilling and Production Equipment
Coal Exploration, Mining, Off Highway Hauling, Processing, Maintenance and Reclamation Equipment

SUBPART D: GROSS RECEIPTS

Section
130.401
130.405

Meaning of Gross Receipts
How to Avoid Paying Tax on State or Local Tax Passed on to the Purchaser

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NOTICE OF PROPOSED AMENDMENTS

130.410	Cost of Doing Business Not Deductible
130.415	Transportation and Delivery Charges
130.420	Finance or Interest Charges--Penalties--Discounts
130.425	Traded-In Property
130.430	Deposit or Prepayment on Purchase Price
130.435	State and Local Taxes Other Than Retailers' Occupation Tax
130.440	Penalties
130.445	Federal Taxes
130.450	Installation, Alteration and Special Service Charges
130.455	Motor Vehicle Leasing and Trade-In Allowances
SUBPART E: RETURNS	
Section	
130.501	Monthly Tax Returns--When Due--Contents
130.502	Quarterly Tax Returns
130.505	Returns and How to Prepare
130.510	Annual Tax Returns
130.515	First Return
130.520	Final Returns When Business is Discontinued
130.525	Who May Sign Returns
130.530	Returns Covering More Than One Location Under Same
130.535	Registration--Separate Returns for Separately Registered Locations
130.540	Payment of the Tax, Including Quarter Monthly Payments in Certain
130.545	Instances
130.550	Returns on a Transaction by Transaction Basis
130.551	Registrants Must File a Return for Every Return Period
130.555	Filing of Returns for Retailers by Suppliers Under Certain
130.560	Circumstances
130.551	Prepayment of Retailers' Occupation Tax on Motor Fuel
130.555	Vending Machine Information Returns
130.560	Verification of Returns
SUBPART F: INTERSTATE COMMERCE	
Section	
130.601	Preliminary Comments
130.605	Sales of Property Originating in Illinois
130.610	Sales of Property Originating in Other States
SUBPART G: CERTIFICATE OF REGISTRATION	
Section	
130.701	General Information on Obtaining a Certificate of Registration
130.705	Procedure in Disputed Cases Involving Financial Responsibility
130.710	Requirements
130.715	Procedure When Security Must be Forfeited
	Sub-Certificates of Registration

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130.720	Separate Registrations for Different Places of Business of Same
130.725	Taxpayer Under Some Circumstances
130.730	Display
130.735	Replacement of Certificate
130.740	Certificate Not Transferable
130.745	Certificate Required For Mobile Vending Units
	Revocation of Certificate
SUBPART H: BOOKS AND RECORDS	
Section	
130.801	General Requirements
130.805	What Records Constitute Minimum Requirement
130.810	Records Required to Support Deductions
130.815	Preservation and Retention of Records
130.820	Preservation of Books During Pendency of Assessment Proceedings
130.825	Department Authorization to Destroy Records Sooner Than Would
	Otherwise be Permissible
SUBPART I: PENALTIES AND INTEREST	
Section	
130.901	Civil Penalties
130.905	Interest
130.910	Criminal Penalties
SUBPART J: BINDING OPINIONS	
Section	
130.1001	When Opinions from the Department are Binding
SUBPART K: SELLERS LOCATED ON, OR SHIPPING TO, FEDERAL AREAS	
Section	
130.1101	Definition of Federal Area
130.1105	When Deliveries on Federal Areas Are Taxable
130.1110	No Distinction Between Deliveries on Federal Areas and Illinois
	Deliveries Outside Federal Areas
SUBPART L: TIMELY MAILING TREATED AS TIMELY FILING AND PAYING	
Section	
130.1201	General Information
130.1205	Due Date that Falls on Saturday, Sunday or a Holiday
SUBPART M: LEASED PORTIONS OF LESSOR'S BUSINESS SPACE	
Section	

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130.1301 When Lessee of Premises Must File Return for Leased Department
 130.1305 When Lessor of Premises Should File Return for Leased Department
 130.1310 Meaning of "Lessor" and "Lessee" in this Regulation

SUBPART N: SALES FOR RESALE

Section
 130.1401 Seller's Responsibility to Determine the Character of the Sale at the Time of the Sale
 130.1405 Seller's Responsibility to Obtain Certificates of Resale and Requirements for Certificates of Resale
 130.1410 Requirements for Certificates of Resale (Repealed)
 130.1415 Resale Number--When Required and How Obtained
 130.1420 Blanket Certificate of Resale (Repealed)

SUBPART O: CLAIMS TO RECOVER ERRONEOUSLY PAID TAX

Section
 130.1501 Claims for Credit--Limitations--Procedure
 130.1505 Disposition of Credit Memoranda by Holders Thereof
 130.1510 Refunds
 130.1515 Interest

SUBPART P: PROCEDURE TO BE FOLLOWED UPON SELLING OUT OR DISCONTINUING BUSINESS

Section
 130.1601 When Returns are Required After a Business is Discontinued
 130.1605 When Returns are Not Required After Discontinuation of a Business
 130.1610 Cross Reference to Bulk Sales Regulation

SUBPART Q: NOTICE OF SALES OF GOODS IN BULK

Section
 130.1701 Bulk Sales: Notices of Sales of Business Assets

SUBPART R: POWER OF ATTORNEY

Section
 130.1801 When Powers of Attorney May be Given
 130.1805 Filing of Power of Attorney With Department
 130.1810 Filing of Papers by Agent Under Power of Attorney

SUBPART S: SPECIFIC APPLICATIONS

Section
 130.1901 Addition Agents to Plating Baths
 130.1905 Agricultural Producers

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130.1910 Antiques, Curios, Art Work, Collectors' Coins, Collectors' Postage Stamps and Like Articles
 130.1915 Auctioneers and Agents
 130.1920 Barbers and Beauty Shop Operators
 130.1925 Blacksmiths
 130.1930 Chiroprodists, Osteopaths and Chiropractors
 130.1935 Computer Software
 130.1940 Construction Contractors and Real Estate Developers
 130.1945 Co-operative Associations
 130.1950 Dentists
 130.1951 Enterprise Zones
 130.1952 Sales of Building Materials to a High Impact Business
 130.1955 Farm Chemicals
 130.1960 Finance Companies and Other Lending Agencies - Installment Contracts - Repossessions

130.1965 Florists and Nurserymen

130.1970 Hatcheries
 130.1975 Operators of Games of Chance and Their Suppliers
 130.1980 Optometrists and Opticians
 130.1985 Pawnbrokers
 130.1990 Peddlers, Hawkers and Itinerant Vendors
 130.1995 Personalizing Tangible Personal Property
 130.2000 Persons Engaged in the Printing, Graphic Arts or Related Occupations, and Their Suppliers
 130.2005 Persons Engaged in Nonprofit Service Enterprises and in Similar Enterprises Operated As Businesses, and Suppliers of Such Persons
 130.2006 Sales by Teacher-Sponsored Student Organizations
 130.2007 Exemption Identification Numbers
 130.2008 Sales by Nonprofit Service Enterprises
 130.2010 Persons Who Rent or Lease the Use of Tangible Personal Property to Others

130.2011 Sales to Persons Who Lease Tangible Personal Property to Exempt Hospitals
 130.2012 Sales to Persons Who Lease Tangible Personal Property to Governmental Bodies
 130.2015 Persons Who Repair or Otherwise Service Tangible Personal Property
 130.2020 Physicians and Surgeons
 130.2025 Picture-Framers
 130.2030 Public Amusement Places
 130.2035 Registered Pharmacists and Druggists
 130.2040 Retailers of Clothing
 130.2045 Retailers on Premises of the Illinois State Fair, County Fairs, Art Shows, Flea Markets and the Like

130.2050 Sales and Gifts By Employers to Employees
 130.2055 Sales by Governmental Bodies
 130.2060 Sales of Alcoholic Beverages, Motor Fuel and Tobacco Products
 130.2065 Sales of Automobiles for Use in Demonstration
 130.2070 Sales of Containers, Wrapping and Packing Materials and Related

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Products

- 130.2075 Sales To Construction Contractors, Real Estate Developers and Speculative Builders
- 130.2080 Sales to Governmental Bodies, Foreign Diplomats and Consular Personnel
- 130.2085 Sales to or by Banks, Savings and Loan Associations and Credit Unions
- 130.2090 Sales to Railroad Companies
- 130.2095 Sellers of Gasohol, Coal, Coke, Fuel Oil and Other Combustibles
- 130.2100 Sellers of Feeds and Breeding Livestock
- 130.2105 Sellers of Newspapers, Magazines, Books, Sheet Music and Phonograph Records and Their Supplies
- 130.2110 Sellers of Seeds and Fertilizer
- 130.2115 Sellers of Machinery, Tools and the Like
- 130.2120 Suppliers of Persons Engaged in Service Occupations and Professions
- 130.2125 Trading Stamps and Discount Coupons
- 130.2130 Undertakers and Funeral Directors
- 130.2135 Vending Machines
- 130.2140 Vendors of Curtains, Slip Covers, Floor Covering and Other Similar Items Made to Order
- 130.2145 Vendors of Meals
- 130.2150 Vendors of Memorial Stones and Monuments
- 130.2155 Vendors of Signs
- 130.2156 Vendors of Steam
- 130.2160 Vendors of Tangible Personal Property Employed for Premiums, Advertising, Prizes, Etc.
- 130.2165 Veterinarians
- 130.2170 Warehousemen

ILLUSTRATION A: Examples of Tax Exemption Cards

AUTHORITY: Implementing the Illinois Retailers' Occupation Tax Act [35 ILCS 120] and authorized by Section 39b3 of the Civil Administrative Code of Illinois [20 ILCS 2505/39b3].

SOURCE: Adopted July 1, 1933; amended at 2 Ill. Reg. 50, p. 71, effective December 10, 1978; amended at 3 Ill. Reg. 12, p. 4, effective March 19, 1979; amended at 3 Ill. Reg. 13, pp. 93 and 95, effective March 25, 1979; amended at 3 Ill. Reg. 23, p. 164, effective June 3, 1979; amended at 3 Ill. Reg. 25, p. 229, effective June 17, 1979; amended at 3 Ill. Reg. 44, p. 193, effective October 19, 1979; amended at 3 Ill. Reg. 46, p. 52, effective November 2, 1979; amended at 4 Ill. Reg. 24, pp. 520, 539, 564 and 571, effective June 1, 1980; amended at 5 Ill. Reg. 818, effective January 2, 1981; amended at 5 Ill. Reg. 3014, effective March 11, 1981; amended at 5 Ill. Reg. 12782, effective November 2, 1981; amended at 6 Ill. Reg. 2860, effective March 3, 1982; amended at 6 Ill. Reg. 6780, effective May 24, 1982; codified at 6 Ill. Reg. 8229; recodified at 6 Ill. Reg. 8999; amended at 6 Ill. Reg. 15225, effective December 3, 1982; amended at 7 Ill. Reg. 7990, effective June 15, 1983; amended at 8 Ill. Reg. 5319, effective April 11, 1984; amended at 8 Ill. Reg. 19062,

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effective September 26, 1984; amended at 10 Ill. Reg. 1937, effective January 10, 1986; amended at 10 Ill. Reg. 12067, effective July 1, 1986; amended at 10 Ill. Reg. 19538, effective November 5, 1986; amended at 10 Ill. Reg. 19772, effective November 5, 1986; amended at 11 Ill. Reg. 4325, effective March 2, 1987; amended at 11 Ill. Reg. 6252, effective March 20, 1987; amended at 11 Ill. Reg. 18284, effective October 27, 1987; amended at 11 Ill. Reg. 18767, effective October 28, 1987; amended at 11 Ill. Reg. 19138, effective October 29, 1987; amended at 11 Ill. Reg. 19696, effective November 23, 1987; amended at 12 Ill. Reg. 5652, effective March 15, 1988; emergency amendment at 12 Ill. Reg. 14401, effective September 1, 1988, for a maximum of 150 days, modified in response to an objection of the Joint Committee on Administrative Rules at 12 Ill. Reg. 19531, effective November 4, 1988, not to exceed the 150 day time limit of the original rulemaking; emergency expired January 29, 1989; amended at 13 Ill. Reg. 11824, effective June 29, 1989; amended at 14 Ill. Reg. 241, effective December 21, 1989; amended at 14 Ill. Reg. 872, effective January 1, 1990; amended at 14 Ill. Reg. 15463, effective September 10, 1990; amended at 14 Ill. Reg. 16028, effective September 18, 1990; amended at 15 Ill. Reg. 6621, effective April 17, 1991; amended at 15 Ill. Reg. 13542, effective August 30, 1991; amended at 15 Ill. Reg. 15757, effective October 15, 1991; amended at 16 Ill. Reg. 1642, effective January 13, 1992; amended at 17 Ill. Reg. 860, effective January 11, 1993; amended at 17 Ill. Reg. 18142, effective October 4, 1993; amended at 17 Ill. Reg. 19651, effective November 2, 1993; amended at 18 Ill. Reg. 1537, effective January 13, 1994; amended at 18 Ill. Reg. 16866, effective November 7, 1994; amended at 19 Ill. Reg. 13446, effective September 12, 1995; amended at 19 Ill. Reg. 13568, effective September 11, 1995; amended at 19 Ill. Reg. 13968, effective September 18, 1995; amended at 20 Ill. Reg. 4428, effective March 4, 1996; amended at 20 Ill. Reg. 5366, effective March 26, 1996; amended at 20 Ill. Reg. 6991, effective May 7, 1996; amended at 20 Ill. Reg. 9116, effective July 2, 1996; amended at 20 Ill. Reg. 15753, effective December 2, 1996; expedited correction at 21 Ill. Reg. 4052, effective December 2, 1996; amended at 20 Ill. Reg. 16200, effective December 16, 1996; amended at 21 Ill. Reg. 12211, effective August 26, 1997; amended at 22 Ill. Reg. _____, effective _____.

SUBPART S: SPECIFIC APPLICATIONS

Section 130.2070 Sales of Containers, Wrapping and Packing Materials and Related Products

a) Definition

When used in this Section Regulation, the term "containers" includes all containers, wrapping and packing materials, bags, twines, container handles, wrapping papers, gummed tapes, cellophane, boxes, bottles, drums, cartons, sacks or other packing, packaging, containing and wrapping materials in which tangible personal property may be contained.

b) Sales for Resale

- 1) Sellers of containers to purchasers who sell tangible personal

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property contained in such containers to others are deemed to make sales of such containers to purchasers for purposes of resale, the receipts from which sales are not subject to the Retailers' Occupation Tax, if the purchasers of such containers transfer the ownership of the containers to their customers together with the ownership of the tangible personal property contained in such containers.

- 2) For example, a sale of fruit boxes to a packer who fills the boxes with fruit and sells the fruit in such boxes is a sale of the boxes to the packer for resale by him. There is no difference between a returnable container whose ownership is transferred with a deposit being taken and a nonreturnable container. Although sales of containers to purchasers who retransfer such containers to others as an incident to engaging in a service occupation are not subject to the Retailers' Occupation Tax, such transactions are subject to the Service Occupation Tax (see Subpart A of the Service Occupation Tax, 86 Ill. Adm. Code 140 Regulations).

- 3) Nonreusable tangible personal property sold to food and beverage vendors, including persons engaged in the business of operating restaurants, cafeterias or drive-ins, is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverage occurs. Examples of such items include, but are not limited to, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags and wrapping or packaging materials that cannot be reused by the food or beverage vendor and which are transferred to customers as part of the sale of food or beverages. Such items do not include items which are used by the food vendor in conducting his business, including, but not limited to, paper products, serving trays, serving dishes, utensils or condiment bottles.

c) Sales For Use or Consumption

- 1) Sellers of containers to purchasers who do not transfer the ownership thereof to others, but who intend such containers merely to provide a means of containing tangible personal property while in the process of being delivered to their customers, retaining and reusing or discarding the containers after such delivery is completed, and sellers of containers to purchasers who use such containers as a means of storing tangible personal property, are making sales for use or consumption, and their receipts from such sales are subject to the Retailers' Occupation Tax.

- 2) Also, paper towels and toilet tissues are deemed to be sold for use or consumption when sold to a purchaser for use in connection with the conduct of his business and not for resale as such.

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- 3) Sales of paper napkins, drinking straws, paper cups and paper plates to operators of office buildings, hotels and the like for the use of their employees, tenants or guests are taxable retail sales.

- 4) Sales of paper napkins, drinking straws, paper cups and paper plates to restaurants (including drive-in restaurants) and other vendors of food or beverages for use on the premises as serving equipment in lieu of more durable kinds of serving equipment (such as linen napkins, metal drinking straws, glass or porcelain cups and plates) are taxable retail sales. Sales of paper napkins, drinking straws, paper cups and paper plates to food or beverage vendors are nontaxable sales for resale if the items are resold for a direct and specific charge or if the items are employed as containers for food or beverages contained therein and are transferred with the food or beverages to the purchaser thereof either by being delivered by the food or beverage vendor away from his premises to his customers or by being delivered on the premises of the food or beverage vendor to customers who take the packaged food or beverages away from such premises with them for consumption elsewhere. If the so-called "carry-out" trade, in general, it may be assumed that paper sacks, boxes, cartons and paper cups with lids when sold to a food or beverage vendor are for resale within the meaning of this paragraph. The same is true of paper cups which are used in serving beverages or other tangible personal property from a vending machine.

- 4) When nonreusable such paper products such as napkins, drinking straws, cups or plates are sold to a food or beverage vendor who uses some of these products on his premises in conducting his business as serving equipment, but who resells some of these products as hereinabove provided, and it is impracticable, at the time of the sale to such food or beverage vendor, to determine exactly how much of the purchase is for use and how much is for resale, the purchaser may determine, from his experience, approximately what percentage of his purchases of such paper products is for resale and may give the supplier a blanket Certificate of Resale certifying that that percentage of his purchases of such products in the future will be for resale. If the Department goes behind such a Certificate of Resale to check its accuracy, the Department will not disallow the Certificate of Resale if the percentage stated is reasonably close to what the facts actually are. Such a purchaser should redetermine and recertify such percentage to suppliers of such paper products at least every 12 months. If the purchaser uses some of the paper products which he has certified are for resale so that he does not pay tax to his suppliers on his purchases of such products, the purchaser is liable to pay the Use Tax directly to the Department on his cost price of such paper products.

- 5) When containers are sold to a purchaser for use or consumption,

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it is not material that the purchaser, after such containers have been used by him until they no longer have utility to him, sells such containers in order to recover as much as he can of the amount which he has invested in such containers.

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Community Care Program
- 2) Code Citation: 89 Ill. Adm. Code 240
- 3) Section Numbers: Adopted Action:
240.1400 Amendment
240.1410 Amendment
240.1430 Amendment
240.1710 Amendment
- 4) Statutory Authority: 20 ILCS 105/4.01 (11), and 5.02
- 5) Effective Date of Amendment(s): February 1, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: January 28, 1998
- 9) Notice of Proposal Published in Illinois Register: August 1, 1997 at 21 Ill. Reg. 9879
- 10) Has JCARE issued a Statement of Objections to this amendment(s)? No
- 11) Difference(s) between proposal and final version: There were no changes to this rulemaking.
- 12) Have all changes agreed upon by the agency and JCARE been made as indicated in the agreement letter issued by JCARE? Yes
- 13) Will this amendment replace an emergency amendment currently in effect?
No
- 14) Are there any proposed amendments pending on this Part? No
- 15) Summary and Purpose of Amendment(s): Rules are being amended in Part 240 to conform to citation changes made in Part 220.
- 16) Information and questions regarding this adopted amendment shall be directed to:

Ms. Pamela W. Balmer, Assistant
Office of General Counsel
Illinois Department on Aging
421 East Capitol Avenue #100
Springfield, IL 62701-1789
(217) 785-3346

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The full text of the Adopted Amendment(s) begins on the next page:

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TITLE 89: SOCIAL SERVICES
CHAPTER II: DEPARTMENT ON AGING

PART 240

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240.120	Services Provided
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240.140	Program Limitations
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240.210	Homemaker Service
240.220	Chore-Housekeeping Service (Repealed)
240.230	Adult Day Care Service
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240.330	Freedom of Choice
240.340	Confidentiality/Safeguarding of Case Information
240.350	Applicant/Client/Authorized Representative Cooperation
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240.420	Group Appeals
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240.510	Application for Community Care Program
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240.610	Establishing Eligibility
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240.710	Age
240.715	Determination of Need
240.720	Clients Prior to Effective Date of This Section (Repealed)
240.725	Clients After Effective Date of This Section (Repealed)
240.726	Emergency Budget Act Reduction (Repealed)
240.727	Minimum Score Requirements
240.728	Maximum Payment Levels for Homemaker Service
240.729	Maximum Payment Levels for Adult Day Care Service

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240.730	Plan of Care
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SUBPART H: FINANCIAL REQUIREMENTS

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240.800	Financial Factors
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240.905	Prohibition of Institutionalized Individuals From Receiving Community Care Program Services
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Section	
240.1010	Nursing Home Prescreening
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240.1050 Temporary Service Increase

SUBPART K: TRANSFERS

Section
240.1110 Individual Transfer Request - Vendor to Vendor - No Change in Service

240.1120 Individual Transfer Request - Vendor to Vendor - With Change in Service

240.1130 Individual Transfers - Case Coordination Unit to Case Coordination Unit

240.1140 Transfer of Pending Applications

240.1150 Interagency Transfers

240.1160 Temporary Transfers - Case Coordination Unit to Case Coordination Unit

240.1170 Caseload Transfer - Vendor to Vendor

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SUBPART L: ADMINISTRATIVE SERVICE CONTRACT

Section

240.1210 Administrative Service Contract

SUBPART M: CASE COORDINATION UNITS AND VENDORS

Section

240.1310 Standard Contractual Requirements for Case Coordination Units and Vendors

240.1320 Vendor or Case Coordination Unit Fraud/Illegal or Criminal Acts

240.1330 General Vendor and CCU Responsibilities (Repealed)

240.1396 Payment for Services (Repealed)

240.1397 Purchases and Contracts (Repealed)

240.1398 Safeguarding Case Information (Repealed)

240.1399 Suspension/Termination of a Vendor or Case Coordination Unit (CCU)

SUBPART N: CASE COORDINATION UNITS

Section

240.1400 Community Care Program Case Management

240.1410 Case Coordination Unit Administrative Minimum Standards

240.1420 Case Coordination Unit Responsibilities

240.1430 Case Management Staff Positions, Qualifications and Responsibilities Training Requirements For Case Management Supervisors and Case Managers

SUBPART O: PROVIDERS

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240.1510 Provider Administrative Minimum Standards
240.1520 Provider Responsibilities

240.1530 General Homemaker Staffing Requirements

240.1535 Homemaker Staff Positions, Qualifications and Responsibilities

240.1540 General Chore-Housekeeping Staffing Requirements (Repealed)

240.1545 Chore-Housekeeping Staff Positions, Qualifications and Responsibilities (Repealed)

240.1550 Standard Requirements for Adult Day Care Providers

240.1555 General Adult Day Care Staffing Requirements

240.1560 Adult Day Care Staff Qualifications

240.1565 Adult Day Care Satellite Sites

240.1570 Service Availability Expansion

240.1575 Adult Day Care Site Relocation

240.1580 Standards for Alternative Providers

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SUBPART P: PROVIDER PROCUREMENT

Section

240.1600 Provider Contract

240.1605 Procuring Provider Services

240.1610 Procurement Cycle for Provider Services

240.1620 Issuance of Provider Proposal and Guidelines

240.1625 Content of Provider Proposal and Guidelines

240.1630 Criteria for Number of Provider Contracts Awarded

240.1635 Evaluation of Provider Proposals

240.1640 Determination and Notification of Provider Awards

240.1645 Objection to Procurement Action Determination

240.1650 Classification of Provider Service Violations

240.1655 Method of Identification of Provider Service Violations

240.1660 Compliance Reviews of Contracted Provider Agencies

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240.1665 Contract Actions for Failure to Comply with Community Care Program Requirements

SUBPART Q: CASE COORDINATION UNIT PROCUREMENT

Section

240.1710 Procurement Cycle For Case Management Services

240.1720 Case Coordination Unit Compliance Review

SUBPART R: ADVISORY COMMITTEE

Section

240.1800 Community Care Program (CCP) Advisory Committee

240.1850 Technical Rate Review Advisory Committee (Repealed)

SUBPART S: RATES

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Section 240.1910	Establishment of Fixed Unit Rates
240.1920	Contract Specific Variations
240.1930	Fixed Unit Rate of Reimbursement for Homemaker Service
240.1940	Fixed Unit Rates of Reimbursement for Adult Day Care Service and Transportation
240.1950	Adult Day Care Fixed Unit Reimbursement Rates
240.1960	Case Management Fixed Unit Reimbursement Rates
SUBPART T: FINANCIAL REPORTING	
Section 240.2020	Financial Reporting of Homemaker Service
240.2030	Unallowable Costs for Homemaker Service
240.2040	Minimum Direct Service Worker Costs for Homemaker Service
240.2050	Cost Categories for Homemaker Service

AUTHORITY: Implementing Section 4.02 and authorized by Section 4.01(1) of the Illinois Act on the Aging [20 ILCS 105/4.02 and 4.01(1)].

SOURCE: Emergency rules adopted at 4 Ill. Reg. 1, p. 67, effective December 20, 1979, for a maximum of 150 days; adopted at 4 Ill. Reg. 17, p. 151, effective April 25, 1980; amended at 4 Ill. Reg. 43, p. 86, effective October 15, 1980; emergency amendments at 5 Ill. Reg. 1900, effective February 18, 1981, for a maximum of 150 days; amended at 5 Ill. Reg. 12090, effective October 26, 1981; emergency amendments at 6 Ill. Reg. 8455, effective July 6, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 14953, effective December 1, 1982; amended at 7 Ill. Reg. 8697, effective July 20, 1983; codified at 8 Ill. Reg. 2633; amended at 9 Ill. Reg. 1739, effective January 29, 1985; amended at 9 Ill. Reg. 10208, effective July 1, 1985; emergency amendments at 9 Ill. Reg. 14011, effective August 29, 1985, for a maximum of 150 days; amended at 10 Ill. Reg. 5076, effective March 15, 1986; recodified at 12 Ill. Reg. 7980; amended at 13 Ill. Reg. 11193, effective July 1, 1989; emergency amendments at 13 Ill. Reg. 13638, effective August 18, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 17327, effective November 1, 1989; amended at 14 Ill. Reg. 1233, effective January 12, 1990; amended at 14 Ill. Reg. 10732, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 2838, effective February 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 10351, effective July 1, 1991; emergency amendments at 15 Ill. Reg. 14593, effective October 1, 1991, for a maximum of 150 days; emergency amendments at 15 Ill. Reg. 17398, effective November 15, 1991, for a maximum of 150 days; emergency amendments suspended at 16 Ill. Reg. 1744; emergency amendments modified in response to a suspension by the Joint Committee on Administrative Rules and reinstated at 16 Ill. Reg. 2943; amended at 15 Ill. Reg. 18568, effective December 13, 1991; emergency amendments at 16 Ill. Reg. 2630, effective February 1, 1992, for a maximum of 150 days; emergency amendments at 16 Ill. Reg. 2901, effective February 6, 1992, to expire June 30, 1992; emergency amendments at 16 Ill. Reg. 4069, effective February 28, 1992, to

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expire June 30, 1992; amended at 16 Ill. Reg. 11403, effective June 30, 1992; emergency amendments at 16 Ill. Reg. 11625, effective July 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 11731, effective June 30, 1992; emergency rule added at 16 Ill. Reg. 12615, effective July 23, 1992, for a maximum of 150 days; modified at 16 Ill. Reg. 16680; amended at 16 Ill. Reg. 14565, effective September 8, 1992; amended at 16 Ill. Reg. 18767, effective November 27, 1992; amended at 17 Ill. Reg. 224, effective December 29, 1992; amended at 17 Ill. Reg. 6090, effective April 7, 1993; amended at 18 Ill. Reg. 609, effective February 1, 1994; emergency amendment at 18 Ill. Reg. 5348, effective March 22, 1994, for a maximum of 150 days; amended at 18 Ill. Reg. 13375, effective August 19, 1994; amended at 19 Ill. Reg. 9085, effective July 1, 1995; emergency amendment at 19 Ill. Reg. 10186, effective July 1, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 12693, effective August 25, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 16031, effective November 20, 1995; amended at 19 Ill. Reg. 16523, effective December 1, 1995; amended at 20 Ill. Reg. 1493, effective January 10, 1996; emergency amendment at 20 Ill. Reg. 5388, effective March 22, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 8995, effective July 1, 1996; amended at 20 Ill. Reg. 10597, effective August 1, 1996; amended at 21 Ill. Reg. 887, effective January 10, 1997; amended at 21 Ill. Reg. 6183, effective May 15, 1997; amended at 21 Ill. Reg. 12418, effective September 1, 1997; amended at 22 Ill. Reg. 64, effective **FEB 01 1998**.

SUBPART N: CASE COORDINATION UNITS

Section 240.1400 Community Care Program Case Management

- A designated Case Coordination Unit (CCU), as outlined in 89 Ill. Adm. Code 220.600 et seq., shall be contracted with as a CCU by the Department for a specific geographic area by executing a contract for the provision of Community Care Program (CCP) case management services.
- All providers of CCP case management services shall meet all standards promulgated by the Department relating to the services provided, upon completion of the procurement as specified in 89 Ill. Adm. Code 220.610 220-615 et seq. All Department funded CCUs must adhere to the equal opportunity requirements of the Illinois Department of Human Rights and the contract executed between the CCU and the Department.
- Case management services shall be purchased only from providers determined capable and competent by the Department to provide such services, as described in 89 Ill. Adm. Code 220.600 et seq. Once a procurement has occurred under 89 Ill. Adm. Code 220.610 et seq. CCU contracts with the Department to provide CCP case management services shall not be assigned.
- CCUs shall not subcontract for the direct provision of CCP case management services unless prior written approval has been obtained from the Department.
- A CCP provider vendor may not serve as a CCU in the same contract

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service area except temporarily to provide for the orderly transition of duties while the Department and Area Agency seek a replacement CCU or the Department seeks a replacement provider vendor, as indicated in the particular case. In no instance shall such arrangement exist for longer than a three month period.

(Source: Amended at 22 Ill. Reg. 3415, effective FEB 01 1998)

Section 240.1410 Case Coordination Unit Administrative Minimum Standards

- a) A Case Coordination Unit (CCU) must meet the Standard Contractual Requirements of Section 240.1310.
- b) A CCU shall be open for business at least seven hours each weekday (Monday through Friday) and shall have and utilize an alternative method approved by the Department, and on file at the CCU, for receiving requests from applicants/clients on any weekdays (excluding holidays) when the CCU is not open for business.
- c) All program records, reports, and related information and documentation, including client files, which are generated in support of the contract between the CCU and the Department shall be considered the property of the Department.

- 1) The CCU shall submit, upon demand, or otherwise make available at the option of the Department, all such records, information and documentation to the Department/Department authorized designee.
- 2) All such records, information and documentation shall be maintained by the CCU in accordance with provisions of 89 Ill. Adm. Code 220.100 220-600(47).

- 3) All records, case notes or other information maintained on persons served under the contract shall be confidential and shall be protected by the CCU from unauthorized disclosure as required by 89 Ill. Adm. Code 220.100 and Section 240.340 of this Part.

(Source: Amended at 22 Ill. Reg. 3415, effective FEB 01 1998)

Section 240.1430 Case Management Staff Positions, Qualifications and Responsibilities

- a) A Case Coordination Unit (CCU) shall have specified staff to carry out the following functions:
 - 1) case management, and
 - 2) supervision of case managers.
- b) Case management supervisor qualifications shall be as specified in 89 Ill. Adm. Code 220.605(a)(2).
- c) Case manager qualifications shall be as specified in 89 Ill. Adm. Code 220.605(b)(2) (47-49).
- d) Case manager activities and responsibilities shall, at a minimum,

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include:

- 1) administration of the Determination of Need;
- 2) development of a CCP Client Agreement - Plan of Care;
- 3) performance and/or approval of nursing home prescreening;
- 4) performance of Illinois Department of Human Services (DHS) Mental Health and Developmental Disabilities ~~OBRA-1~~ (Level I ID Screen);
- 5) authorization of CCP services; and
- 6) attendance at appeal hearings.

- e) Required activities which may be performed by a case manager or other CCU staff include:

- 1) screening of inquiries;
- 2) arranging for service implementation in accordance with each specific Client Agreement - Plan of Care;
- 3) completing Case Authorization Forms;
- 4) reviewing and correcting Case Authorization Forms;
- 5) assisting providers vendors with Vendor Request for Payment (VRFP) rejections;
- 6) timely provision of documents requested by the Department for client appeals or other Departmental matters;
- 7) implementing case transfers; and
- 8) assisting with referral of applicants/clients to the Illinois Department of Public Aid for Medicaid application as requested.

(Source: Amended at 22 Ill. Reg. 3415, effective FEB 01 1998)

SUBPART Q: CASE COORDINATION UNIT PROCUREMENT

Section 240.1710 Procurement Cycle For Case Management Services

The Department will solicit Proposals as specified in 89 Ill. Adm. Code 220.610 through 220.645 ~~on the same three-year cycle specified in 89-III-Adm-Code 220-615(47)~~. When conducting the solicitation as specified in 89 Ill. Adm. Code 220.655(e) (47), the Department shall assume all responsibilities specified for the Area Agency on Aging in 89 Ill. Adm. Code 220.610 through 220.645.

(Source: Amended at 22 Ill. Reg. 3415, effective FEB 01 1998)

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1) Heading of the Part: General Programmatic Requirements2) Code Citation: 89 Ill. Adm. Code 2203) Section Numbers: Adopted Action:

220.600 Amendment
 220.605 Amendment
 220.610 Amendment
 220.615 Repeal
 220.620 Repeal
 220.625 Repeal
 220.630 Amendment
 220.635 Amendment
 220.640 Amendment
 220.645 Amendment
 220.650 Amendment
 220.655 Amendment
 220.660 Amendment
 220.665 Repeal
 220.670 Amendment
 220.675 New Section

4) Statutory Authority: 20 ILCS 105/4.01 (11), and 5.025) Effective Date of Amendment(s): February 1, 19986) Does this rulemaking contain an automatic repeal date? No7) Does this amendment contain incorporations by reference? No8) Date Filed in Agency's Principal Office: January 28, 19989) Notice of Proposal Published in Illinois Register: August 1, 1997 at 21 Ill. Reg. 989010) Has JCARE issued a Statement of Objections to this amendment(s)? No11) Difference(s) between proposal and final version: The following substantive changes were made subsequent to the first notice period. In addition, various clarifying, technical, editorial and grammatical changes were made.

Section 220.600

Subsection (a)(1)(A), the Department deleted the proposed language "in the same planning and service area".

Subsection (a)(1)(C), the definition of conflict of interest was

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changed to add:

Conflict of interest means any entity or individual uses an official position for private gain (other than salary), gives preferential treatment to any entity or individual in the conduct of official duties because of personal interest, impedes or adversely affects governmental efficiency or economy because of personal interest, or engages in conduct that could adversely affect the confidence of the public in the integrity of the Department on Aging and its programs. The term also means that the circumstances are such that the Department might reasonably conclude that an entity's or individual's judgment could be influenced by the nature of the circumstances.

Subsection (f)(8) was changed to read as:

Have a TTY or assist the applicant and/or client in using the Illinois Relay Center to accommodate the hearing and/or speech impaired.

Section 220.605

Subsection (d) was changed to read as:

The agency may utilize case aides, operating under the direction of the case manager, with supervision provided by the case management supervisor, to assist with specified back-up case management activities, including collateral visits, intake/referrals, program information and paperwork verifications.

Section 220.630

Subsection (c) was added:

Point values shall be assigned to each proposal criterion specified in subsection (b)(1) above. Points shall be awarded based upon the amount and type of applicant experience in service provision and the type and number of commitments to exceed minimum service requirements made by the applicant.

Section 220.640

Subsection (c)(2) was changed to read as:

If a joint recommendation is not reached, the differences will be forwarded to the Director for a final designation decision. If a joint recommendation is not reached after the Department and AAA meet, the Director will be provided with the review of the recommendation rationale of both the AAA and the Department. The Director will, on the basis of this review, render a final

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designation decision. Following the Director's decision, designation will be made pursuant to Section 220.645 of this Part.

Section 220.675

Subsection (d) was changed to read as:

If the CCU receives notification of any sanction other than termination, the CCU may appeal the action and request that the Department review of the appeal be conducted through a paperwork review of the relevant documentation.

- 12) Have all changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will this amendment replace an emergency amendment currently in effect? No
- 14) Are there any proposed amendments pending on this Part? No
- 15) Summary and Purpose of Amendment(s): Since the Case Coordination Unit (CCU) procurement process was implemented in FY 1993, the Department has received concerns from CCU applicants and Area Agencies on Aging concerning the proposal process. This rulemaking addresses the proposal process.
- 16) Information and questions regarding this adopted amendment shall be directed to:

Ms. Pamela W. Balmer, Assistant
Office of General Counsel
Illinois Department on Aging
421 East Capitol Avenue #100
Springfield, Illinois 62701-1789
217/785-3346

The full text of the Adopted Amendment(s) begins on the next page:

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TITLE 89: SOCIAL SERVICES
CHAPTER II: DEPARTMENT ON AGING

PART 220

GENERAL PROGRAMMATIC REQUIREMENTS

Section	
220.100	Confidentiality and Disclosure of Information
220.200	Client Cooperation
220.300	Referral Requirements
220.400	Other Resources Supporting the Cost of In-Home Care Services
220.500	Appeals and Fair Hearings
220.501	Initiation of Appeal Process
220.502	Request for Hearing or Appeal
220.503	Place of Filing
220.504	Responsibility of Department or Area Agency on Aging
220.505	Informal Review
220.506	Hearing Officer
220.507	Notice of Hearing
220.508	Representation of Appellant
220.509	Appellant Participation in Hearing
220.510	Amendment of Appeal
220.511	Consolidation of Appeals
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220.514	Evidentiary Requirements
220.515	Closing of Hearing Record
220.516	Dismissal of Appeals
220.517	Transcript
220.518	Decision
220.519	Notice of Decision to Appellant
220.520	Public Review
220.600	Case Coordination Unit Minimum Standards
220.605	Case Management Staff Requirements and Qualifications
220.610	Case Coordination Unit Procurement
220.615	Procurement Cycle (Repealed)
220.620	Definition of Case Coordination Unit Request For Proposal (Repealed)
220.625	Issuance of Case Coordination Unit Proposal and Guidelines (Repealed)
220.630	Content of Case Coordination Unit Request For Proposal Documents
220.635	Review of Case Coordination Unit Proposals
220.640	Recommendations for Evaluation-of Case Coordination Unit Designation
	<u>Proposals</u>
220.645	Designation of Case Coordination Units and Award of Contracts/Grants
220.650	Objection to Case Coordination Unit Designation Decision <u>Award</u>
	<u>Determination</u>
220.655	Replacement of a Procurement-of-a-Replacement Case Coordination Unit
220.660	Performance Compliance Reviews of Case Coordination Units
220.665	Case Coordination Unit Compliance (Repealed)

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- 220.670 Sanctions for Case Coordination Unit Failure to Comply with Case Management Contract/Grant
- 220.675 Sanction Notification and Case Coordination Unit Right to Appeal
- APPENDIX A Names and Addresses of Area Agencies on Aging by Planning and Service Area (Repealed)

AUTHORITY: Implementing and authorized by Section 4.01 of the Illinois Act on the Aging [20 ILCS 105/4.01].

SOURCE: Adopted at 5 Ill. Reg. 3722, effective March 31, 1981; codified at 8 Ill. Reg. 19310; amended at 15 Ill. Reg. 18603, effective December 13, 1991; emergency amendment at 17 Ill. Reg. 1179, effective January 11, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 8472, effective June 9, 1993; amended at 22 Ill. Reg. 3494, effective FEB 01 1998.

Section 220.600 Case Coordination Unit Minimum Standards

- a) To be designated as a Case Coordination Unit (CCU) for a specific geographic area, as identified by the Area Agency on Aging (AAA) in a specified planning and service area, an agency shall enter into a contract or grant with the AAA to provide Title III (Older Americans Act (42 U.S.C. 3001)) case management services pursuant to 89 Ill. Adm. Code 230 (Subpart G) and with the Department to provide Community Care Program (CCP) case management services pursuant to 89 Ill. Adm. Code 240.260 and 240.1400 et seq.
- 1) The agency shall be a free-standing, single purpose agency, or shall be part of a multi-purpose agency. A multi-purpose agency shall have a separate, clearly definable organizational unit functioning as the CCU.

A) An AAA shall not be designated a CCU except in an emergency situation as specified in Section 220.655(e)(7).

B) A CCP provider ~~vendor~~ may not serve as a CCU in the same contract service area except in temporary situations as specified in 89 Ill. Adm. Code 240.1400(f).

C) No organization having any other conflict of interest in the performance of case management service activities shall serve as a CCU. Conflict of interest means any entity or individual uses an official position for private gain (other than salary), gives preferential treatment to any entity or individual in the conduct of official duties because of personal interest, impedes or adversely affects governmental efficiency or economy because of personal interest, fails to act impartially in the conduct of official duties because of personal interest, or engages in conduct that could adversely affect the confidence of the public in the integrity of the Department on Aging and its programs. The term also means that the circumstances are such that the Department might reasonably conclude that an entity's or

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individual's judgment could be influenced by the nature of the circumstances.

- 2) The designation of CCUs shall be accomplished by the AAA and the Department as described in Sections 220.610 through 220.645 of this Part.

3) The designated CCU must be in compliance with Older Americans Act (42 U.S.C. 3001) requirements.

4) Only one designated CCU shall have jurisdiction in a particular geographic area.

- b) Case management service is defined as assistance either in the form of access or care coordination in circumstances where the older persons and/or their caregivers are experiencing diminished functioning capacities, personal conditions or other characteristics which require the provision of service by formal service providers. Activities of case management include assessing needs, developing case plans, authorizing services, arranging services, coordinating the provision of services among formal service providers and informal sources of support, follow-up and reassessment, as required, the provision of comprehensive needs assessments and service coordination to assist older persons to gain access to and receive needed services, with efforts made to mobilize and coordinate formal and informal sources of support on behalf of the older person.

c) An individual AAA may establish additional requirements than those specified in subsections (e) (d) through (k) (t) relative to any contract/grant for case management services provided in its respective planning and service area. The AAA Area Agency shall arrange for funding of such additional requirements higher standards. Such additional requirements shall bear no additional cost to the Department or to recipients of services.

d) An individual AAA may require a CCU to provide additional funded Older Americans Act (42 U.S.C. 3001) or General Revenue Fund services that are directly related to case management as defined in subsection (b) above.

e) Case management service activities shall minimally include (as specified in 89 Ill. Adm. Code 230.250(i)(1) and 240.1420):

- 1) Intake: Older persons who are potentially in need of case management services shall be screened.
- 2) Needs Assessment: A face-to-face assessment/reassessment shall be conducted for all potentially eligible or current Title III case management clients and CCP applicants/clients.
- 3) Case Plan Development: A written goal-oriented case plan shall be prepared for all individuals determined to be in need of case management services.
- 4) Case Plan Implementation: A referral of the client shall be made to appropriate formal and informal resources.
- 5) Follow-up: Contact to ensure that service has been implemented for the client.

f) The CCU shall minimally:

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- 1) Coordinate services with the following types of organizations in the contractual area:
 - A) Information and Assistance and Outreach ~~Referral~~ Providers
 - B) Nursing Facilities
 - C) Health Care Providers (including all hospitals in the geographic area)
 - D) Social Service Providers
 - E) Public Assistance/Financial Assistance Organizations
 - F) Elder Abuse and Ombudsman Provider Agencies
- 2) Coordinate services to individual clients and shall, at a minimum, include a process for handling information requests, referrals, and follow-up activities. The process must be clearly defined in written policy and procedures.
- 3) Establish and follow procedures, which must be retained on file, to assure Assure that each client has an assigned case manager to contact, including and back-up procedures for assigning a substitute case manager, who meets the minimum requirements specified in Section 220.605 of this Part and in 89 Ill. Adm. Code 240.1440, in the absence of the assigned case manager.
- 4) Establish and follow procedures, which must be retained on file to assure Assure maintenance of and safeguard the use of and disclosure of information relating to applicants and clients as required by Federal or State laws, rules and regulations and the requirements specified in Section 220.100 of this Part and in 89 Ill. Adm. Code 240.340.
- 5) Present service options and information about available providers to each client and/or client's authorized representative in an objective manner.
- 6) Establish and follow a written procedure for coordinating the CCU intake system with the Title III Information and Assistance and Outreach providers.
- 7) 57 Arrange services to non-English speaking and hearing impaired applicants and/or clients.
- 8) Have a TTY or assist the applicant and/or client in using the Illinois Relay Center to accommodate the hearing and/or speech impaired.
- 9) 67 Comply with the Illinois Human Rights Act [775 ILCS 5] ~~444 Rev. Stat., 1989, ch. 687~~, the Equal Employment Opportunity Act of 1974, the Federal Rehabilitation Act of 1973, the Federal Immigration and Relocation Act of 1986, the Americans With Disabilities Act of 1990 and the Department's Civil Rights Program.
- 10) 77 Perform service activities and responsibilities for which a contract/grant is in effect.
- 11) 87 Establish personnel policies, job descriptions, training requirements and wages for each job category in accordance with all applicable State and Federal rules and requirements and Department procedures. Personnel policies shall include hours of

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work, benefits, and promotion and evaluation criteria.

- A) ~~There shall be a written job description for each job category for all paid and volunteer staff positions which are part of the service.~~
- B) ~~Personnel records shall be maintained for each employee and shall include at least the following:~~
 - i) Employee application or resume?
 - ii) Annual performance evaluation?
 - iii) Supervisory reports regarding case managers, and
 - iv) Documentation of meeting all training requirements specified in Section 240.1440.
- E) ~~The CCR shall demonstrate that:~~
 - i) a copy of the employee's specific job description has been provided to the employee;
 - ii) the employee has received a copy of current written personnel policies for his/her specific job category at the time of employment and any subsequent revisions?
 - iii) the employee has been informed of the wages for the specific job category at the time of employment and any subsequent revisions?
 - iv) the employee benefits and grievance procedures which meet applicable Federal and State regulations have been clearly stated and provided in writing for each employee.
- 12) 97 Assure each individual employed by the CCU having face-to-face contact with clients in the client's residence, in the hospital and/or nursing facility shall be free from communicable disease.
- g) 7 The CCU shall be located to provide accessibility to older persons and their families and other organizations providing services to the elderly in the agency's jurisdiction.
- h) 97 Any satellite office(s) operated by the CCU shall comply with all rules and regulations, as set forth in 89 Ill. Adm. Code 220, 230 and 240.
- i) 7 The CCU shall maintain books, records, documents and other evidence of accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in performance of the contract(s) and/or grant(s). These records shall be subject at all reasonable times to inspection, review, and/or audit as specified in 89 Ill. Adm. Code 230 and 240.
- j) The CCU shall provide for financial audits in accordance with requirements specified in 89 Ill. Adm. Code 230.360 and 89 Ill. Adm. Code 240.1420.
- k) 7 The CCU shall comply with all applicable Federal, State and local laws, rules, regulations and ordinances as well as all specified specific requirements as set forth in this Part and in 89 Ill. Adm. Code 230 and 240.
- l) All program records, reports, and related information and

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documentation, including files of terminated clients, which are generated in support of a contract/grant between the CCU and the Department/AAA shall be maintained by the CCU for a minimum of five years after the completion of the contract/grant. If any litigation, claim or audit is started prior to the expiration of the five year period, the records shall be retained until all litigation, claims or audit findings involving the affected records, information or documentation has been resolved.

m) Each CCU shall carry general liability insurance in the single limit minimum amount of \$100,000 per occurrence. The policies or current letters documenting all insurance coverage shall be available in the CCU files.

n) CCUS shall not subcontract for the direct provision of case management services unless prior written approval has been obtained from the Department and the AAA, as appropriate.

o) CCUS are expressly prohibited from assigning either their contract with the Department or their contract/grant with the AAA.

p) The CCU shall provide for financial audits in accordance with requirements specified in 89 Ill. Adm. Code 240.360-420-240.420.

pn) All records, case notes or other information maintained on persons served under the contract shall be confidential and shall be protected by the CCU from unauthorized disclosure pursuant to Section 220.100.

q) All program records, reports, and related information and documentation, including files of terminated clients, which are generated in support of a contract/grant between the CCU and the Department/AAA, shall be maintained by the CCU for a minimum of three years from the submission of the last expenditure report of the appropriate fiscal year or for a period of time otherwise specified by the Department/AAA (e.g., if any litigation, claim or audit is started prior to the expiration of the three year period, the records shall be retained until all litigation, claim or audit is started prior to the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the affected records, information or documentation has been resolved).

(Source: Amended 22 Ill. Reg. _____, effective FEB 01 1998)

Section 220.605 Case Management Staff Requirements and Qualifications

a) The agency shall have sufficient staff to perform all activities and to fulfill all responsibilities outlined in 89 Ill. Adm. Code 230.Subpart G 610-et seq. and 89 Ill. Adm. Code 240.Subpart N 1400-et-seq. for which a contract/grant is in effect.

a) Case Management Supervisor

1) Case management supervisor activities shall include:
A) consultation on case management activities as needed to

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provide proper supervision;
B) documented provision of training on Illinois Department on Aging and Area Agency on Aging policies, procedures and case management techniques, including those specified in 89 Ill. Adm. Code Section 240.1440; and
C) annual written performance evaluation of case managers for whom they serve as supervisor.

2) Case management supervisor minimum qualifications shall:

A) Both:

i) be an either-a RN, or have a BSN, or have a BA/BS degree in health or social sciences, social work, or health service administration; and

ii) have at least two years experience in health or human services. This experience shall include one year of supervisory experience or program experience, which is defined as assessment, provision, and/or authorization of formal services for the elderly; or

B) be waived for persons hired/serving in this capacity prior to December 13, 1991. rule-adoption:

b) Case Manager

13) Case manager activities shall include:

A) administration of the appropriate intake form, including a comprehensive needs assessment;

B) development of a case plan;

C) making appropriate referrals and responding to applicant/client requests;

D) authorization of services; and
E) maintaining case records, including documentation of follow-up, reassessment, and of termination.

24) Case manager minimum qualifications shall:

A) be an a RN, or a BSN, or have a BA/BS degree in social science, social work or related field. One year of program experience, which is defined as assessment, provision, and/or authorization of formal services for the elderly, may replace one year of college education up to and including four years of experience replacing a baccalaureate degree;

or

B) be a LPN with one year of program experience which is defined as assessment of and provision of formal services for the elderly and/or authorizing service provision; or

C) be waived for persons hired/serving in this capacity prior to December 13, 1991. rule-adoption:

c5) Case management supervisors Manager--Supervisors and case managers shall meet all training requirements as specified in 89 Ill. Adm. Code Section 240.1440.

d) The agency may utilize case aides, operating under the direction of the case manager, with supervision provided by the case management supervisor, to assist with specified back-up case management

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activities, including collateral visits, intake/referrals, program information and paperwork verifications.

- 1) Case aides shall be trained by the case manager and/or the case management supervisor.
- 2) Case aides shall not perform assessments, develop case plans, or authorize services.
- 3) The case manager shall retain responsibility for all case aide activities related to case management.
- 4) The agency shall ensure that activities assigned to the individual case aide do not exceed that case aide's level of education, experience and training.

(Source: Amended at 22 Ill. Reg. 643, effective FEB 01 1998)

Section 220.610 Case Coordination Unit Procurement

~~In order to maximize competition in procurement, case management services shall be procured through use of the Request for Proposal process described in Sections 220.615 through 220.640 after the effective date of this Section.~~

- a) The services procured pursuant to this Part are considered by the Department to be professional services to protect the health, safety and welfare of older persons. Although the Department is not required to competitively bid professional services, in order to maximize competition in procurement, case management services shall be procured through use of the Request for Proposal process whenever possible.

1) A Request for Proposal (RFP) is a form of invitation to bid which the Department and the AAA shall use to obtain case management services to be provided by a CCU.

- 2) The RFP shall explain the purpose for submittal of a proposal, outline the scope of the work, and solicit proposals from agencies for the funding of case management services to be provided by CCUs for the Department's Community Care Program and for the AAA.

- b) Case management services shall be procured by use of the following procurement cycle:

- 1) Each county/service area will be opened for free and open competition for designation to provide case management service on a three year cycle beginning in Fiscal Year 1993. Proposals shall be solicited using the procurement process specified in 89 Ill. Adm. Code 220.610 through 220.645 of this Part.

- 2) After each county/service area has been opened at least once for free and open competition, a county/service area will be reopened in accordance with Section 220.610 through 220.645 of this Part, at least once every six years, unless the Department, for purposes of administration, finds it necessary to suspend the procurement cycle. Such suspension shall also apply to emergency

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contracts executed under Section 220.655 of this Part.

- 3) The Department/AAA shall each offer a contract/grant for a one year period, with the option to extend the contract/grant for a maximum of five additional one year periods for a total of six years. Thus, a contractor may be issued a new contract/grant for a six year period.

- 4) Contractors will be notified of any change in the reimbursement amount which occurs during the period of the contract/grant.

- c) All CCU procurement actions shall be advertised in accordance with procedures issued by the Department.

- d) The AAA shall ensure that a CCU Proposal and Guidelines are issued to current contractors in good standing whose service areas are open for solicitation.

(Source: Amended at 22 Ill. Reg. 643, effective FEB 01 1998)

Section 220.615 Procurement Cycle (Repealed)

~~At least once every three years each county/service area will be opened for free and open competition for designation to provide case management services as specified in Section 240.645.~~

- a) ~~To ensure that each contract/grant is procured pursuant to these rules, all areas of the State will have been opened for initial solicitation by the end of Federal Fiscal Year 1994 to begin the three year cycle.~~

- b) ~~The Department/AAA Agency on Aging (AAA) shall offer a contract/grant for a one year period, with option to extend the contract/grant for a period of time not to exceed two additional one year periods following the initial contract execution. Thus, a contractor exhibiting good service performance might be retained through contract extension for a three year period.~~

- c) ~~In the event that a change in the reimbursement amount occurs during the period of the contract/grant, the Department/AAA shall exercise the thirty calendar day termination or mutual amendment rights specified in the contract/grant, in order to ensure full implementation of the adjusted rate.~~

(Source: Repealed at 22 Ill. Reg. 643, effective FEB 01 1998)

Section 220.620 Definition of Case Coordination Unit Request For Proposal (Repealed)

~~A Request for Proposal (RFP) is a form of invitation to bid which the Department and the AAA Agency on Aging (AAA) shall use to obtain case management services to be provided by a Case Coordination Unit (CCU). The RFP shall explain the purpose of the invitation to bid, outline the scope of the~~

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work-and-solicit-proposals-from-agencies-for-the-funding-of--case--management services--to-be-provided-by-CEUs-for-the-Department's-Community-Care-Program-and for-the-Area-Agency-on-Aging:

(Source: Repealed at 22 Ill. Reg. _____, effective FEB 01 1998)

Section 220.625 Issuance of Case Coordination Unit Proposal and Guidelines (Repealed)

a) All--Case-Coordination-Unit--(CEU)--procurement--actions--shall-be advertised-in-the-official-State-newspaper:

1) Advertisements-shall-appear-at-least-3-times-with-the-first-and last-advertisement-at-least-10-calendar-days-apart;

2) Advertisements--shall-detail-the-Department's-and-AAA's-needs-or may-generally-indicate-needs-while-inviting-agencies--to-request the-CEU-Proposal-and-Guidelines--(refer-to-Section-220-630);

b) The--Department--and--the--AAA--shall-establish-and-maintain-a-list-of applicants/agencies-who-are-interested-in--providing--case--management services--and--have--demonstrated--that--interest--in--writing--to-the Department-or-to-the-AAA;

1) The-Department-shall-provide-the-AAA-with-the--Department's--list of--applicants/agencies--and-the-AAA-shall-provide-the-Department with-the-AAA's-list-of--applicants/agencies--at--least--2--weeks prior-to-issuance-of-the-CEU-Proposal-and-Guidelines;

2) All-applicants/agencies-on-these-mailing-lists-will-be-notified in-writing-of-the-advertised-procurement-action-by-the-AAA;

3) The-AAA-shall-send-the-complete-CEU-Proposal--and--Guidelines--to all-applicants/agencies-which-request-these-documents;

4) The-applicant/agency-lists-shall-be-maintained-until-the-Request for-Proposal--(RFP)--process-has-been-completed;

5) Following-the-RFP-and-subsequent-award-process--applicants--must again-request--placement--on--the--list--in-writing--for-the-next solicitation;

c) The-AAA-shall-ensure-that-a-CEU-Proposal-and-Guidelines-are-issued--to current--contractors-in-good-standing-whose-service-areas-are-open-for solicitation;

(Source: Repealed at 22 Ill. Reg. _____, effective FEB 01 1998)

Section 220.630 Content of Case Coordination Unit Request For Proposal Documents

a) A standard Case-Coordination-Unit-(CEU) Proposal, with instructions, and Guidelines shall be utilized by a an-Area-Agency-on-Aging--(AAA) conducting a solicitation, or by the Department in the event that a particular AAA is unwilling or unable to conduct the procurement.

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Prior to the beginning of the procurement cycle, the standard CCU Proposal and Guidelines shall be developed jointly by the Department and AAAs, and shall be utilized by all AAAs.

1) Additional--requirements--(refer-to-Section-220-600-(c))--mandated by-a-particular-AAA-shall-be-added-to-the-standard-CEU-Proposal--AAAs--shall-arrange-for-funding-for-such-higher-standards--Such additional--standards--shall-bear-no--additional--cost--to--the Department;

2) Additional-services-if--required-by--a--particular-AAA--to--be provided--through--a--case--management--contract/grant--shall-be directly-related-to--case--management--services--as--defined--in Section--220-600-(b)--(e-g)--information--and-Referral--Outreach--Outreach--and-shall-be-added-to-the-standard-CEU-Proposal;

b) The CCU Request for Proposal package shall include: consist--of--the questions--and--required--attachments--to-be-completed-by-the-applicant and--returned--to--the--AAA--or--the--Department--as--appropriate--for consideration--and--scoring;

1) Proposal, which shall consist of the questions and required attachments to be completed by the applicant and returned to the AAA or the Department, as appropriate, for consideration and scoring. Proposal criteria shall include:

A) Experience in service provision, and

B) Commitments to meet or exceed Community Care Program and/or Title III minimum service requirements for:

i) Program management

ii) Service delivery

iii) Client issues

iv) Staffing, and

v) Training.

2) Guidelines, which shall contain necessary information to enable a prospective CCU to prepare a proposal.

c) Point values shall be assigned to each proposal criterion specified in subsection (b)(1) above. Points shall be awarded based upon the amount and type of applicant experience in service provision and the type and number of commitments to exceed minimum service requirements made by the applicant.

e) The-Guidelines-for-Completion-of--the--CEU-Proposal--shall--contain necessary--information--to--enable--a--prospective--CEU--to--prepare-a proposal--including:

1) a-clear-and-accurate-description-of-the-case--management--service to-be-provided;

2) the-submission-process;

3) the-review-process;

4) general-contract-and-bid-information;

5) date--time-and-address-of-bidders'-conference--when-applicable;

6) contact-persons;

7) evaluation-factors-and-the-weighting-of-these-factors;

8) anticipated-amounts-of-contract/grant-award-for-service.

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- d) All proposals shall be considered as submitted and may not be amended or revised except as determined by the AAA or the Department, as appropriate, upon submission of supportive evidence of an apparent clerical mistake or other informality disclosed prior to award of the contract/grant. (See Section 220.640.)
- e) No corrections shall be permitted to make unresponsive proposals responsive to the rating criteria and proposal guidelines.
- f) Allowable administrative corrections will be made by the AAA or the Department as appropriate, within seven calendar days from the date of receipt of documentation supporting the administrative corrections.
- g) A proposal which does not respond to all requirements in the CCU Proposal and Guidelines shall be deemed incomplete and shall not be considered by the Department or AAA.
- h) The Director of the Department reserves the right to reject any informality of a proposal when, in the Director's opinion, the best interests of the State will be served by such action.

(Source: Amended at 22 Ill. Reg. 9435, effective FEB 01 1998)

Section 220.635 Review of Case Coordination Unit Proposals

- a) In order to determine if an applicant shall be recommended for designation, the AAA and the Department shall separately review and evaluate the complete CCU proposal in accordance with Department review procedures.
- 1) All proposals shall be considered as submitted and may not be amended, corrected or revised except when determined appropriate by the AAA or the Department.
- 2) A proposal which does not respond to all requirements in the CCU Proposal and Guidelines shall be deemed incomplete and shall not be considered by the Department or AAA.
- 3) A proposal which fails to meet minimum requirements contained in 89 Ill. Adm. Code 220, 230 and/or 240 shall be rejected.
- 4) The Director of the Department reserves the right to reject any informality of a proposal when, in the Director's opinion, the best interests of the State will be served by such action.
- 5) Review of the CCU proposal shall identify the final score of each proposal.
- b) The AAA will forward the originally submitted proposals, the score sheets and the AAA's written recommendation for designation (refer to Section 220.640 of this Part) to the Department.
- c) The Department will review the AAA's process and recommendation for designation.
- d) Upon receipt of the proposals, the Area Agency on Aging (AAA) shall log in the proposals.
- e) Three copies of each proposal shall be held as originally submitted

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- f) for forwarding to the Department.
- g) the AAA will review and score all proposals in accordance with Section 220.640, on a standard score sheet.
- h) the AAA will forward the originally submitted proposals, the score sheets, and the AAA's written recommendation for designation (refer to Section 220.645) to the Department.
- i) the Department will review the AAA's process and recommendation for designation.
- j) the Department will develop its recommendation for designation.

(Source: Amended at 22 Ill. Reg. 9435, effective FEB 01 1998)

Section 220.640 Recommendations for Evaluation of Case Coordination Unit Designation Proposals

- a) The AAA shall make recommendation(s) for designation to the Department.
- b) If the Department agrees with the AAA recommendation(s), a joint recommendation for designation shall be made to the Director.
- c) In the event the Department and AAA recommendations are not in agreement, the Department will meet with the AAA to discuss the differences and attempt to reach a joint recommendation.
- 1) If a joint recommendation is reached, the recommendation will be forwarded to the Director.
- 2) If a joint recommendation is not reached, the differences will be forwarded to the Director for a final designation decision. If a joint recommendation is not reached after the Department and the AAA meet, the Director will be provided with the review of the recommendation rationale of both the AAA and the Department. The Director will, on the basis of this review, render a final designation decision. Following the Director's decision, designation will be made pursuant to Section 220.645 of this Part.
- d) If, after review of the proposals submitted, the Department and the AAA agree that no applicant qualifies for designation, or if no proposals are received for a geographic area in response to the Request for Proposal process, the Department and the AAA shall secure CCU services through any means of selection likely to result in a contract/grant and shall issue a contract/grant for these services.
- e) A proposal which fails to meet minimum requirements, contained in 89 Ill. Adm. Code 220, 230, and 240, shall be rejected.
- f) When determining if an applicant shall be recommended for designation, the Area Agency on Aging (AAA) or the Department shall evaluate the Case Coordination Unit (CCU) proposal.
- g) The quality criteria and assigned points for items scored in the CCU Proposal are:
- 1) Experience in the provision of Community Care Program (CCP) case

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management-service:

- A) current-CCP-contracted-CCU-in-solicited-area-(25-points);
or
B) current-CCP-contracted-CCU-in-area-contiguous-to-the
solicited-area-(15-points); or
C) current-CCP-contracted-CCU-in-the-Community-Care-Program-(10
points);
2) Experience-in-the-provision-of-title-III-of-the-Elder-Americans
Act-services:
A) current-title-III-case-management-grant-or-contract-in-the
planning-and-service-area-(25-points); or
B) current-title-III-grant-for-non-case-management-service-in
the-planning-and-service-area-(15-points); or
home-keeping-or-adult-day-care-contract-in-the
planning-and-service-area-or-a-currently-designated-CCU-in
a-planning-and-service-area-contiguous-to-the-planning-and
service-area-(15-points); or
C) experience-in-the-provision-of-case-management-services(1
other-than-CCP-or-title-III-CCU-(10-points);
3) Exceeding-Minimum-Requirements:
A) Service-Delivery 0---5-points
B) Client-Issues 0---5-points
C) Staffing 0---15-points
D) Fiscal 0---15-points
E) Agency-Administration 0---5-points
F) Training-of-Staff 0---5-points

- d) The-written-evaluation-of-the-CCU-Proposal-shall-identify-the-final
score-of-each-proposal:

(Source: Amended at 22 Ill. Reg. 9426, effective
FEB 01 1998)

Section 220.645 Designation of Case Coordination Units and Award of
Contracts/Grants

- a) The Director of the Department shall represent and act for the State in all matters pertaining to the Request for Proposal (RFP) process and to contracts awarded as a result of that process. The Director shall receive the recommendation(s) from the AAA and the Department and has the ultimate decisionmaking authority for designation of CCUs and award of Department contracts.
- b) When a CCU designation is made:
- 1) the Department and AAA shall notify each applicant, in writing, of the success or failure of the applicant to be jointly designated as a CCU in accordance with Department procedures; and
 - 2) after resolution of any objection(s) to the designation decision(s) (refer to Section 220.650 of this Part), all agencies

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jointly designated as CCUs shall be offered a contract from the Department and a contract or grant, as appropriate, from the AAA. The successful proposal shall be an integral part of the contract/grant awarded.

- c) A designated CCU shall be held accountable for all statements made in the CCU proposal, as well as any amendments made to a contract/grant, until such time as the contract/grant is terminated or a new proposal is solicited and the CCU has been awarded a new contract/grant.
- 1) The-Director-reserves-the-right-to-reject-any-informality-in-the
proposal-when-in-the-Director's-opinion-the-best-interests-of
the-State-will-be-served-by-such-rejection.
2) The-Director-shall-receive-all-scores-and-sheets-and
recommendations-and-has-the-ultimate-decision-making-authority
for-award-of-Department-contracts.
3) If-the-Department-and-Area-Agency-on-Aging-(AAA)-recommendations
are-in-agreement,-notification-of-intent-to-designate-will-be
issued-in-accordance-with-subsection-(b)-below.
4) In-the-event-the-Department-and-AAA-recommendations-are-not-in
agreement-the-Department-will-notify-the-AAA-in-writing-of-its
recommendation-together-with-an-explanation-of-the-differences
between-the-two-recommendations-and-the-basis-for-the
differences:
A) The-Department-and-AAA-will-meet-to-review-and-discuss-the
differences-within-ten-work-days-from-the-date-of-the
Department's-written-notice-to-the-AAA.
B) If-agreement-to-offer-a-contract/grant-is-reached,
notification-of-intent-to-designate-will-be-in-accordance
with-subsection-(b)-below.
C) If-agreement-to-offer-a-contract/grant-is-not-reached-and
time-and-circumstances-allow-the-Department-and/or-AAA-will
re-initiate-a-procurement-in-accordance-with-Section-220.625
through-220.650;
B) If-agreement-to-offer-a-contract/grant-is-not-reached-an
emergency-exists-and/or-the-public-exigency-will-not-permit
a-delay--incident-to-competitive-solicitations-the-RFP
process-will-not-be-used-and-the-Department/AAA-shall-issue
a-temporary-negotiated-contract/grant--Circumstances-under
which-this-action-is-indicated-include:
1) Service-is-immediately-needed-to-prevent-interruption
of-services-to-current-clients-or
2) Service-is-immediately-needed-to-protect-clients-or
clients'-health-safety-or-welfare-and
3) only-one-CCU-is-reasonably-capable-or-willing-to
perform-per-the-Department/AAA-assessment-of-viable
alternate-applicants.
b) After-the-evaluation-of-proposals-has-been-completed-and-the
Department-and-AAA-have-agreed-upon-a-designation-the-Department-and
AAA-shall-jointly-notify-each-applicant-in-writing-of-the

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- applicant's success or failure to be offered a contract/grant and designation as a Case Coordination Unit (CCU). Included in the notification shall be:
- 1) a copy of the criteria used to rate the proposal;
 - 2) a photocopy of the applicant's and successful applicant's score sheets; and
 - 3) a comparative chart of section total scores received by a successful competitor for that geographic contract/grant area.
- c) All agencies submitting successful proposals shall be offered a contract/grant from the Department and a contract/grant from the AAA, as appropriate. The successful proposal shall be an integral part of the contract/grant awarded.
- d) A successful CCU shall be held accountable for all statements made in the CCU proposal as well as any amendments made to a contract/grant until such time as the contract/grant is terminated or a new proposal is solicited and the CCU has been awarded a new contract/grant.
- 1) A contract/grant may be amended with the mutual consent of the Department and AAA and the CCU at any time during the term of the contract/grant.
 - 2) Determination of the extent of a CCU's compliance with that agency's proposal/contract/grant and any applicable amendments shall be made by the Department and the AAA through separate review processes.

(Source: Amended at 22 Ill. Reg. 61, effective FEB 01 1998)

Section 220.650 Objection to Case Coordination Unit Designation Decision Award Determination

- a) Upon receipt of the written notification of designation decision, notice specified in subsection 220-645 (b), the applicant may object to the decision procurement action. The Department shall provide information on the objection process with the written notification.
- 1) An objection regarding a designation procurement action or decision must be in writing and sent by certified or registered mail, return receipt requested, to be received by the Director at the Department's Springfield office within ten calendar days from the date of the objecting agency's receipt by the objecter of the designation decision. Notice of the objectionable action:
 - 2) Upon receipt of an objection, the Department shall immediately notify the applicable affected Area Agency on Aging of AAA's upon receipt of an objection. The objection will be processed in accordance with Department procedures and a recommendation will be forwarded to the Director.
 - 3) If the objection is not received in the time specified above, the objection will be denied and the award will be made based upon the Director's original designation decision. In the normal

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- 4) Each objection must contain:
- A) A full and concise statement of the facts and circumstances of the action which is alleged to be objectionable, legally or otherwise; and
 - B) A statement of the relief sought.
- 5) A request that the Department review of the objection be conducted either face-to-face with the appellant or through a paper work review of the relevant documentation.
- 45) The Department may request additional details from the objecting agency and from the AAA at any time. Failure of the objecting agency to supply information requested by the Department will be cause for dismissal of the objection.
- b) A contract/grant if a written objection against the making of an award is received, the award shall not be awarded until after the objection is considered final. If the matter is resolved, unless the Department determines that:
- 1) The services to be procured are urgently required and cannot be delayed until the objection is resolved; or
 - 2) Delivery or performance of the services will be unduly delayed by failure to make an award promptly; or
 - 23) A prompt award will otherwise be advantageous to the State.
- c) Upon receipt of a written objection specifying the desire of the appellant for a face-to-face review, a hearing shall be conducted in accordance with Section 220-500 et seq. and a recommendation will be made to the Director by the hearing officer. If the AAA conducted the procurement to which the objection relates, the AAA shall act as a party in the face-to-face review.
- d) Upon receipt of a written objection specifying the desire for a paper work review of the relevant documentation, appropriate Department staff shall review the procurement action in question and make a recommendation to the Director.
- ce) The designation decision shall not be considered final until an objection decision is issued by the Director is final.
- 1) The Director shall issue a response in writing to the objecting agency which shall be sent by certified mail, return receipt requested.
 - 2) A copy of the Director's decision shall be provided to the appropriate AAA Area Agency on Aging.
 - 3) The decision of the Director is final.

(Source: Amended at 22 Ill. Reg. 61, effective FEB 01 1998)

Section 220.655 Replacement of a Procurement of a Replacement Case Coordination Unit

- a) A contract between the Department and a Case Coordination Unit (CCU)

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or a contract/grant between the Area Agency on Aging (AAA) and the CCU may be terminated prior to the regular procurement cycle due to:

- 1) the CCU exercising its termination rights as specified in the contract/grant, or
 - 2) the CCU failing to perform in accordance with applicable provisions of 89 Ill. Adm. Code 220.230 and/or 240, or other provisions of either the Department or AAA the contract/grant.
- b) A contract/grant may be terminated by either the Department or the AAA. Both the Department and the AAA shall abide by the decision to terminate. When the termination decision is made by either the Department or the AAA, the contract/grant shall be concurrently terminated by both the Department and the AAA.
- c) In the event of termination of a CCU contract/grant in accordance with subsection (a)(1) or (a)(2) (a) or (b), the AAA shall review the proposals submitted during the previous Request for Proposal (RFP) submittal in the solicited area, and, following notification to and acceptance by the Department, shall offer a temporary negotiated contract/grant to the second-ranked viable applicant from that previous RFP submittal.

1) If the second ranked viable applicant from that previous RFP submittal is acceptable to the AAA and the Department, the AAA and the Department shall recommend to the Director that a replacement contract/grant be offered to the applicant.

2) If the AAA and/or the Department determines that proposals from the previous RFP submittal do not yield an acceptable agency/organization for designation as the CCU, or if there was no second applicant, the AAA shall procure the needed CCU in accordance with the procurement process contained in Sections 220.610 through 220.650 of this Part. If the AAA notifies the Department that it elects not to take the lead in procuring the needed CCU, the Department shall take the lead and shall keep the AAA apprised at all stages of the procurement/designation process.

d) If time does not permit the use of the procurement process specified in Sections 220.610 through 220.650 of this Part, the Department/AAA shall issue a replacement contract/grant through any means of selection likely to result in a contract. This action is indicated under the following circumstances:

- 1) Service is immediately needed to:
 - A) prevent interruption of services to current clients or
 - B) protect clients or clients' health, safety or welfare.
- 2) Only one CCU is reasonably capable or willing to perform, per the Department/AAA assessment of viable alternate applicants.

if the AAA and/or the Department determine that applications from the previous RFP submittal do not yield an acceptable agency/organization for designation as the CCU, or if there was no second applicant, the AAA shall procure the needed CCU in accordance with the process contained in Sections 220.610 through 220.650.

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e) If the AAA notifies the Department that it elects not to take the lead in procuring the needed CCU, the Department shall take the lead per Sections 220.610 through 220.650 while assuring that the AAA is apprised at all stages of the procurement/designation process.

f) In the event of an emergency, and the public exigency will not permit a delay incident to competitive solicitations, the RFP process will not be used and the Department/AAA shall issue a temporary negotiated contract in accordance with provisions of Section 220.645(f)(4)(B).

g) In the event that no replacement temporary negotiated contract/grant can be awarded, the Department shall request that the AAA perform the CCU function on an emergency basis. If an AAA serves as a CCU, an Area Plan direct service waiver shall be submitted to the Department, as specified in 89 Ill. Adm. Code 230.130(f).

f) A replacement contract/grant shall be effective until the solicited area is opened by the AAA for the next regularly scheduled procurement. (Refer to Section 220.610 of this Part.)

h) All temporary and emergency contracts and grants shall expire at a maximum no later than the end of the next completed procurement or at the end of one year, whichever occurs first.

(Source: Amended at 22 Ill. Reg. _____, effective Feb 01 1999)

Section 220.660 Performance Compliance Reviews of Case Coordination Units

a) Determination of the extent of CCU adherence to the agency's proposal/contract/grant and any applicable amendments shall be made by the Department and the AAA through separate review processes.

Case Coordination Units shall be reviewed on site at least twice in each three-year period: once by the Department and once by the Area Agency on Aging (AAA). (See Section 220.665.)

b) The compliance reviews conducted by the AAA Area Agency on Aging shall not duplicate, in content, the compliance reviews conducted by the Department.

a) The Department shall develop and implement a single compliance review instrument and compliance review process to be applied during any single funding period.

b) In order to ensure statewide continuity, the AAA's shall develop and implement a single compliance review instrument and a single compliance review process to be applied during any single funding period. Any AAA implementing additional requirements and/or services (refer to Section 220.630(a)) shall develop additional sections addressing those AAA-specific additional requirements and/or services.

c) Both the Department's and the AAA's compliance review instrument shall address requirements as contained in the funding instrument (contract or grant) with each CCU and this Part in addition.

d) The AAA's review instrument shall address requirements as contained in the contract/grant with each CCU and in the applicable provisions of

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this Part and 89 Ill. Adm. Code 230, including, as a minimum, staffing requirements and qualifications, and adherence to the minimum standards contained in Section 220.600 of this Part.

- d) The Department's compliance review instrument shall address relevant requirements as contained in the contract with each CCU and in the applicable provisions of this Part and 89 Ill. Adm. Code 240. of this Part and 89 Ill. Adm. Code 240; and
- 2) the AAA's compliance review instrument shall address relevant requirements of this Part, title fit of the Older Americans Act, and 89 Ill. Adm. Code 230;

- e) The Department and AAA shall have the authority to conduct a review of a CCU agency at any time during the course of the CCU's contract or grant period, as appropriate, for the purpose of protecting the health, safety and welfare of the clients and ensuring CCU adherence to Department rules, and Department and AAA policies and procedures. The Department or the AAA shall notify the other party of any violations which could lead to contract sanctions or termination.

(Source: Amended at 22 Ill. Reg. 3426, effective FEB 01 1998)

Section 220.665 Case Coordination Unit Compliance (Repealed)

- a) Case Coordination Units (CCUs) must comply with the Request for Proposal, Federal, State and local laws, regulations and Department rules, policies and procedures;
- b) The Department and the Area Agency on Aging (AAA) shall determine compliance by performing compliance reviews in accordance with Section 220.660 of the CCU's contract/grant file records;
- 1) files are maintained by the Department and the AAA, respectively, regarding quality of service provision, technical assistance and training provided, correspondence and day-to-day CCU activity;
- 2) the respective CCU Compliance Review (CCUR) Reports are maintained and shared by the Department and the AAA and findings are acted upon as described in Section 220.670 and 89 Ill. Adm. Code 230-650 and 240-1720;
- 3) The Department and the AAA shall have the authority to conduct a review of a CCU at any time during the course of the CCU's contract or grant period, as appropriate, for the purpose of protecting the health, safety and welfare of the clients and ensuring CCU adherence to Department rules, policies and procedures.

(Source: REPEALED at 22 Ill. Reg. 3426, effective FEB 01 1998)

Section 220.670 Sanctions for Case Coordination Unit Failure to Comply with Case Management Contract/Grant

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a) Department or Area Agency on Aging (AAA) sanctions which may be imposed upon any Case Coordination Unit (CCU) failing which fails to comply with applicable Federal, State and local laws, or regulations, AAA standards and requirements and Department rules, policies and procedures and/or other contract requirements (which include the statements contained in the CCU's Proposal) include:

- a) suspension of some or all payments;
- b) mandatory training or technical assistance;
- c) requiring a limited financial audit;
- d) suspension (AAA action only);
- e) prohibition of specified staff from serving CCP and/or Title III Clients;
- f) refusing to accept a proposal from a provider in one or more areas opened for procurement;
- g) termination of contract/grant; and/or
- h) taking any other action which the Director or AAA determines to be appropriate to the non-compliance circumstances.
- b) CCUs shall be advised by the Department or Area Agency on Aging (AAA) as appropriate (with a copy being provided to the other) of contract/grant action(s) being taken as a result of non-compliance findings;
- c) Department or AAA termination of a CCU contract/grant shall be initiated by notice to the Department or the AAA as appropriate and to the affected CCU (by certified mail return receipt requested) which shall include:
- 1) notice of the intent to terminate the specific CCU contract/grant;
- 2) notice of the Advisory Review procedure established in subsections (d) through (f) below; and
- 3) ten work day preliminary notice of the date, time and location of the Advisory Review Committee meeting;
- d) All recommendations of CCU contract/grant termination shall be reviewed by an Advisory Review Committee which shall be convened by the Department within ten work days following the date of the written notice of intent to terminate specified in subsection (c):
- 1) the Advisory Review Committee will make recommendation as to the appropriateness of the intent to terminate prior to the Department and AAA initiating any final action;
- 2) the Department and AAA shall not be bound by the recommendation of the Advisory Review Committee and may take action independent of that recommendation;
- e) The Advisory Review Committee shall be composed of the following with each participant chosen from the respective constituent group:
- 1) three representatives from individual Area Agencies on Aging;
- 2) two representatives from individual Case Coordination Units;
- 3) one representative from a Community Care Program service vendor not in the geographic service area covered by the CCU under scrutiny; and

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- 4) one representative of a State agency;
- f) Each representative of the Advisory Review Committee shall be free of any conflict of interest; i.e., shall not be a representative of the AAA or CCB involved in the action being considered nor have any legal or organizational association with the AAA or CCB involved; nor have a contract/grant in the particular planning and service area;
- g) A separate Advisory Review Committee shall be chosen to act with respect to each specific contract/grant termination action;
- h) The Department, the applicable AAA and the CCB whose contract/grant is under scrutiny shall have the opportunity to present all relevant information for consideration by the Advisory Review Committee;
- i) Recommendation of the Advisory Review Committee shall be provided in writing to the Department and AAA within fifteen calendar days following the date of the Advisory Review Committee meeting;
- j) If, following review by the Advisory Review Committee, the Department or the AAA determines that termination is warranted, the Department and the AAA shall jointly provide the CCB with written notice of the decision to terminate the CCB's contract by certified mail, return receipt requested, included in the written notification of termination shall be:
- i) the effective date of termination;
- 2) advisement of the CCB's right to appeal the termination action;
- k) Appeals shall be addressed, delivered or mailed to:
- Director
Attention: General Counsel
Illinois Department on Aging
421 East Capitol Avenue
Springfield, Illinois 62701
- m) An appeal must be received by the Department on or before the tenth work day from the date of the termination notice to the CCB specified in subsection (j) above.
- n) An appeal received after the tenth work day from the date of the termination notice to the CCB, as evidenced by the postal return receipt, shall be denied;
- o) The appeal shall specify the appellant's request that the Department review of the appeal be conducted either face-to-face with the appellant or through a paper work review of the relevant documentation;
- i) If a face-to-face review is requested, a hearing shall be conducted in accordance with provisions of Section 220.500 et seq:
- 2) If a paper work review is requested, the General Counsel shall review the appeal data submitted by the CCB;
- 3) At the conclusion of the hearing or the paper work review, a written recommendation shall be submitted to the Director;
- The Director shall review the recommended written report of the appeal and make a final administrative decision to either sustain the appeal of the CCB or uphold the action of the Department and AAA to terminate

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- the contract/grant:
- i) terminations determined to be invalid shall be vacated and the CCB contract shall be reinstated;
- 2) terminations determined to be valid shall be upheld;
- p) The Director shall provide written notice to the CCB by certified mail, return receipt requested, of the final administrative decision resulting from the appeal, with a copy to the appropriate AAA;

(Source: Amended at 22 Ill. Reg. 3426, effective FEB 01 1998)

Section 220.675 Sanction Notification and Case Coordination Unit Right to Appeal

- a) The Department shall provide prior notification to the applicable AAA, or the AAA shall provide prior notification to the Department, of any sanctions being taken against a CCU.
- b) The CCU shall be advised by the Department or AAA, as appropriate, (with a copy provided to the other) of any sanction(s) being taken. Notification to the CCU shall be sent registered mail, return receipt requested.
- c) If the CCU receives notification of termination of contract/grant, the CCU may appeal the action and request that the Department review of the appeal be conducted either face-to-face or through a paperwork review of the relevant documentation.
- d) If the CCU receives notification of any sanction other than termination, the CCU may appeal the action and request that the Department review of the appeal be conducted through a paperwork review of the relevant documentation.
- e) All appeal requests must be made in accordance with Department appeal procedures which shall be included with the sanction notification.
- f) The Director shall review the written report of the appeal and the recommendation and make a final administrative decision to either sustain the appeal of the CCU and reinstate the CCU contract/grant or uphold the action of the Department and AAA to terminate the contract/grant.
- i) Written notification of the final administrative decision shall be provided to the CCU by registered mail, return receipt requested, with a copy provided to the appropriate AAA.
- 2) The decision of the Director is final.

(Source: ~~Added~~ at 22 Ill. Reg. 3426, effective FEB 01 1998)

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Section 220.APPENDIX A Names and Addresses of Area Agencies on Aging by Planning and Service Area (Repealed)

AREA AGENCY-ON-AGING

01 Northwestern-Illinois-Area-Agency
4223-East-State-Street
Rockford-Illinois-61108

02 Region-Two-Area-Agency

Kankakee-Illinois-60901

03 Western-Illinois-Area-Agency

4216-Ninth-Street
Rock-Island-Illinois-61201

04 Central-Illinois-Area-Agency

700-Hamilton-Boulevard
Peoria-Illinois-61603

05 East-Central-Illinois-Area-Agency

2114 McGraw-Drive
Bloomington-Illinois-61701

06 West-Central-Illinois-Area-Agency

1125 Hampshire-Street
P.O.-Box-428
Quincy-Illinois-62301

07 Project-BPB-Area-Agency

2015 West-Washington-Street
Springfield-Illinois-62702

08 Southwestern-Illinois-Area-Agency

8787-State-Street
Edgemont-Building
East-St.-Louis-Illinois-62203

PLANNING-AND-SERVICE-AREA

Booner-Carroll-Bekair
do-Davies-Beer-Ogler
Stephenson-Whitesider
Winnebago-Counties

BuPayer-Grundy-Kane

Kankakee-Kendall-Baker
McHenry-Will-Counties

Bureau-Henderson

Henry-Knox-Basler
McDonough-Mercer-Putnam
Rock-Island-Warren
Counties

Alton-Marshall-Peoria
Stark-Pazewell-Woodford
Counties

Champaign-Clark-Coles

Emberland-Bellevue
Boudier-Edgar-Pord
Tremont-Bivingson
Macon-McBean-Moultrie
Piatt-Sheiby
Vermilion-Counties

Adams-Brown-Cathoun

Hancock-Pike
Schuyler-Counties

Cass-Christian

Greene-Jersey-Bogan
Macoupin-Mason
Menard-Montgomery
Morgan-Sangamon
Scott-Counties

Bond-Clinton

Madison-Montee
Randolph-St.-Clair
Washington-Counties

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09 Midland-Area-Agency

P.O.-Box-1428
Centralia-Illinois-62801

10 Southeastern-Illinois-Area-Agency

319A-Market-Street
Mt.-Carmel-Illinois-62863

11 Egyptian-Area-Agency

100-South-Division-Street
Eastview-Illinois-62918

12 Office-for-Senior-Citizens-and

Handicapped
510-North-Peotigo-Court
Chicago-Illinois-60611

13 Suburban-Cook-County-Area-Agency

400-West-Madison-Street-#200
Chicago-Illinois-60606

(Source: Repealed at 22 Ill. Reg. 97.1, effective
FEB 1 1988)

Clay-Birmingham
Payette-Jefferson
Marion-Counties

Crawford-Edwards
Hamilton-Gasper
Lawrence-Richtland
Wabash-Wayne
White-Counties

Alexander-Franklin
Salatin-Hardin
Jackson-Johnson-Massac
Perry-Pope-Putaski
Saline-Union
Williamson-Counties

City-of-Chicago

Suburban-Cook-County

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1) Heading of the Part: Older Americans Act Programs

2) Code Citation: 89 Ill. Adm. Code 230

3) Section Numbers: Adopted Action:
230.610 Amendment
230.650 Amendment

4) Statutory Authority: 20 ILCS 105/4.01 (11), and 5.02

5) Effective Date of Amendment(s): February 1, 1998

6) Does this rulemaking contain an automatic repeal date? No

7) Does this amendment contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: January 28, 1998

9) Notice of Proposal Published in Illinois Register: August 1, 1997 at 21 Ill. Reg. 9917

10) Has JCAR issued a Statement of Objections to this amendment(s)? No

11) Difference(s) between proposal and final version: The following changes have been made subsequent to the first notice period.

Section 230.650 References to "administrative compliance review" were changed to "review".

12) Have all changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will this amendment replace an emergency amendment currently in effect?
No

14) Are there any proposed amendments pending on this Part? No

15) Summary and Purpose of Amendment(s): Rules are being amended in Part 230 to conform to citation changes made in Part 220.

16) Information and questions regarding this adopted amendment shall be directed to:

Ms. Pamela W. Balmer, Assistant
Office of General Counsel
Illinois Department on Aging
421 East Capitol Avenue #100
Springfield, IL 62701-1789

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(217) 785-3346

The full text of the Adopted Amendment(s) begins on the next page:

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TITLE 89: SOCIAL SERVICES
CHAPTER II: DEPARTMENT ON AGING

PART 230

OLDER AMERICANS ACT PROGRAMS

SUBPART A: STATE AGENCY

Section
230.10 Designation and Function
230.20 Administration
230.30 State Plan
230.40 State Agency Requirements
230.41 Advocacy
230.42 Long-Term Care Ombudsman Program (Repealed)
230.43 Service Delivery Systems Responsibilities
230.44 State Advisory Council
230.45 Intrastate Funding Formula
230.46 Hearings
230.47 Designation of Planning and Service Areas

SUBPART B: AREA AGENCIES ON AGING

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230.120 Administration
230.130 Area Plans
230.140 Withdrawal of Area Agency on Aging Designation
230.145 Continuity of Services
230.150 Area Agency on Aging Responsibilities

SUBPART C: SERVICE REQUIREMENTS

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230.210 Direct Provision of Services by the Department and Area Agencies on Aging
230.220 Planning, Coordination and Provision of Services Funded Under Other Programs
230.230 Licensure and Safety Requirements
230.240 Provider Requirements
230.250 Services

SUBPART D: FISCAL REQUIREMENTS

Section
230.310 Types of Allotments
230.320 Limitations on Use
230.330 Service Funding Requirements

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NOTICE OF ADOPTED AMENDMENTS

230.340 Obligation of Allotments
230.350 Maintenance of Effort: Non-Federal Share
230.360 General Audit Requirements
230.361 Purpose of Audits
230.362 Audit Engagement Agreement
230.363 Distribution of the Cost of a Unified Audit
230.364 Scope of the Financial and Compliance Audit (Repealed)
230.365 Audit Report
230.366 Resolution of Audit Findings
230.370 Program and Financial Reviews

SUBPART E: HEARINGS

Section
230.410 Hearing Before the Department
230.420 Hearing Before the Area Agency on Aging
230.430 Non-applicability of Hearing Requirements
230.440 Arrangements for Hearings

SUBPART F: TITLE III-D

Section
230.510 Target Population
230.520 Eligibility Criteria
230.530 Eligibility Determination
230.540 Allowable Services
230.550 Maintenance of Effort
230.560 Coordination of Services
230.570 Distribution of Funds
230.580 Area Agency on Aging Administration

SUBPART G: CASE MANAGEMENT SERVICES

Section
230.610 General Requirements for Providers of Case Management Services
230.620 Case Management Service Availability
230.630 Service Activities
230.640 Records and Documentation
230.650 Case Coordination Unit Compliance During Contract/Grant Period

AUTHORITY: Implementing the Illinois Act on the Aging [20 ILCS 105] and the Older Americans Act, as amended (42 U.S.C. 3001 et seq.) and authorized by Section 4.01 of the Illinois Act on the Aging [20 ILCS 105/4.01].

SOURCE: Adopted at 5 Ill. Reg. 3722, effective March 31, 1981; amended at 6 Ill. Reg. 7379, effective June 16, 1982; codified at 7 Ill. Reg. 5178; amended at 7 Ill. Reg. 9132, effective July 27, 1983; amended at 8 Ill. Reg. 9330, effective June 15, 1984; amended at 9 Ill. Reg. 5297, effective April 8, 1985;

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amended at 10 Ill. Reg. 5787, effective March 27, 1986; recodified at 10 Ill. Reg. 7653, effective April 30, 1986; amended at 10 Ill. Reg. 14616, effective August 26, 1986; amended at 11 Ill. Reg. 3856, effective February 17, 1987; amended at 11 Ill. Reg. 7586, effective April 8, 1987; amended at 11 Ill. Reg. 15869, effective October 1, 1987; emergency amendments at 12 Ill. Reg. 12540, effective July 15, 1988, for a maximum of 150 days; emergency expired December 12, 1988; amended at 13 Ill. Reg. 2015, effective February 1, 1989; amended at 13 Ill. Reg. 3054, effective March 1, 1989; amended at 13 Ill. Reg. 20299, effective December 15, 1989; amended at 14 Ill. Reg. 2308, effective January 25, 1990; amended at 15 Ill. Reg. 18642, effective December 13, 1991; amended at 16 Ill. Reg. 15401, effective September 28, 1992; amended at 18 Ill. Reg. 14072, effective September 1, 1994; amended at 21 Ill. Reg. 8894, effective July 1, 1997; amended at 22 Ill. Reg. 3464, effective FEB 01 1998.

SUBPART G: CASE MANAGEMENT SERVICES

Section 230.610 General Requirements for Providers of Case Management Services

- a) An agency providing Title III case management services shall meet all Case Coordination Unit (CCU) Standards pursuant to 89 Ill. Adm. Code 220.600 et seq. upon completion of the procurement as specified in 89 Ill. Adm. Code 220.610 220-615.
- b) A CCU, designated as outlined in 89 Ill. Adm. Code 220.645, shall be funded by the Area Agency on Aging (AAA) for a specific geographic area through a contract or a grant with the AAA for Title III case management services.
- c) A designated CCU shall provide audits in accordance with Area Agency on Aging policies and procedures.
- d) A CCU shall permit access to case files by the Area Agency on Aging or its designee, the Department or its designee, and appropriate Federal agencies. The Department shall notify the AAA when access to Title III case management case files by the Department and/or appropriate Federal agencies is required.
- e) An individual AAA may establish additional requirements **higher standards** than those specified in 89 Ill. Adm. Code 220.600(e)(4) through (k)(4) relative to any contract/grant for case management services provided in its respective planning and service area. Such additional requirements **higher standards** shall be specified in the particular AAA's Request for Proposal and shall bear no additional cost to the Department or to recipients of services. AAAs shall arrange for funding **of** for such additional requirements **higher standards**.
- f) Additional services, if required by a particular AAA to be provided through a case management contract/grant, shall be directly related to case management services as defined in 89 Ill. Adm. Code 220.600(b) (e.g., Information and Assistance **Referral**, Outreach, Ombudsman, Elder Abuse) and shall be specified in the particular AAA's Request for

DEPARTMENT ON AGING

NOTICE OF ADOPTED AMENDMENTS

Proposal.

(Source: Amended at 22 Ill. Reg. 3464, effective FEB 01 1998)

Section 230.650 Case Coordination Unit Compliance During Contract/Grant Period

- a) Each Case Coordination Unit (CCU) receiving a contract/grant from an Area Agency on Aging (AAA) must comply with Federal, State and local laws, regulations and Department rules, policies and procedures.
- b) The AAA shall have the authority to conduct a review **an-Administrative Compliance-Review** of a CCU agency at any time during the course of the CCU's contract/grant period for the purpose of protecting the health, safety and welfare of case management clients.
- c) The AAA shall conduct a review **an-Administrative-Compliance-Review** in accordance with procedures established by the particular AAA pursuant to 89 Ill. Adm. Code Section 220.660 to ensure statewide continuity. **Administrative-Compliance** Reviews shall be conducted no less frequently than one review during each funded period.
- d) Records of a review **an-Administrative-compliance-review** conducted by the AAA shall be maintained by the AAA and corrective action(s), if indicated, shall be taken in accordance with established AAA policy and as described in 89 Ill. Adm. Code Section 220.670 and 220.675.

(Source: Amended at 22 Ill. Reg. 3464, effective FEB 01 1998)

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED RULES

1) Heading of the Part: Telecommunications Enforcement2) Code Citation: 83 Ill. Adm. Code 7663) Section Numbers: Adopted Action:

766.10	New Section
766.15	New Section
766.20	New Section
766.25	New Section
766.100	New Section
766.110	New Section
766.300	New Section
766.310	New Section
766.400	New Section
766.410	New Section
766.415	New Section

4) Statutory Authority: Implementing Sections 13-515 and 13-516 and authorized by Section 13-512 of the Public Utilities Act [220 ILCS 5/13-515, 13-516 and 13-512].5) Effective Date of Rules: February 1, 19986) Does this rulemaking contain an automatic repeal date? No7) Do these rules contain incorporations by reference? No8) Date filed in Agency's Principal Office: January 22, 19989) Notice of Proposal Published in Illinois Register: September 26, 1997, at 21 Ill. Reg. 1288610) Has JC&R issued a Statement of Objections to these rules? No11) Differences between proposal and final version:

Section 766.20 and Section 766.25 have been added.

Section 766.110(b): after "response" add ". If a respondent chooses to file a response, it must do so".

12) Have all the changes agreed upon by the agency and JC&R been made as indicated in the agreement letter issued by JC&R? Yes13) Will these rules replace emergency rules currently in effect? Yes14) Are there any amendments pending on this Part? No

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED RULES

15) Summary and Purpose of Rules: The rules specify filing requirements designed to provide the Commission with timely information on the positions of the parties so that the time limits, if not waived, can be met and allow the commission to make an informed decision in the covered proceedings. Subpart D of the rules covers the assessment of costs and the imposition of penalties by delineating procedural matters and listing the factors that the Commission will consider in setting a penalty.16) Information and questions regarding these adopted rules shall be directed to:

Conrad S. Rubinkowski
Office of General Counsel
Illinois Commerce Commission
527 East Capitol Avenue
P.O. Box 19280
Springfield, IL 62794-9280
(217)785-3922

The full text of the Adopted Rules begins on the next page:

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED RULES

TITLE 83: PUBLIC UTILITIES
CHAPTER I: ILLINOIS COMMERCE COMMISSION
SUBCHAPTER f: TELEPHONE UTILITIES

PART 766
TELECOMMUNICATIONS ENFORCEMENT

SUBPART A: APPLICABILITY AND PRELIMINARY PROCEDURES

Section

766.10

Applicability

766.15

Waiver of Time Limits

766.20

Intervention

766.25

Interlocutory Review Not Allowed

SUBPART B: EMERGENCY RELIEF PROCEDURES

Section

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SUBPART C: PROCEDURE PRIOR TO ISSUANCE OF ORDER

Section

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SUBPART D: ASSESSMENT OF COSTS AND IMPOSITION OF PENALTIES

Section

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AUTHORITY: Implementing Sections 13-515 and 13-516 and authorized by Section 13-512 of the Public Utilities Act [220 ILCS 5/13-515, 13-516, and 13-512].

SOURCE: Emergency rules adopted at 21 Ill. Reg. 13180, effective September 11, 1997, for a maximum of 150 days; adopted at 22 Ill. Reg. 3460, effective FEB 01 1998.

SUBPART A: APPLICABILITY AND PRELIMINARY PROCEDURES

Section 766.10 Applicability

This Part shall apply to all proceedings before the Illinois Commerce Commission (Commission) initiated by a complaint filed pursuant to Section

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED RULES

13-515 of the Public Utilities Act (Act) [220 ILCS 5/13-515].

Section 766.15 Waiver of Time Limits

- a) When a complainant files a complaint seeking relief pursuant to Section 13-515(d) of the Act, the complainant must indicate in the complaint whether it will agree to waive the time limit requirements in Section 13-515(d) of the Act for actions required by that subsection of the Act.
- b) A respondent served with a complaint seeking relief pursuant to Section 13-515(d) of the Act must notify the Commission and the complainant, within one day after receipt of the complaint, whether it will agree to waive the time limit requirements in Section 13-515(d) of the Act for actions required by that subsection of the Act. This notice shall be served in the same manner dictated by Section 13-515(d)(4) for the service of answers and other responsive pleadings.
- c) The Commission will agree to waive the time limit requirements in Section 13-515(d) of the Act in all cases in which the complainant and respondent agree to waive said time limit requirements as prescribed in subsections (a) and (b) of this Section.

Section 766.20 Intervention

- a) Intervention in any proceeding brought pursuant to Section 13-515 of the Act will be allowed only upon a showing that the entity filing a petition to intervene is in the same position as either the complainant or the respondent in the proceeding in which it is attempting to intervene.
- b) An intervenor shall be subject to any waivers of time limits agreed to by the complainant, the respondent, and the Commission.
- c) An intervenor shall be subject to any schedule that has been established prior to its intervention.
- d) A petition to intervene shall contain:
- 1) The name, address and telephone number of the petitioner seeking leave to intervene;
 - 2) A plain and concise statement of the nature of such petitioner's interest;
 - 3) A prayer for leave to intervene and be treated as a party to the proceeding.
- e) A petition to intervene shall not contain any prayer for affirmative relief other than that contained in the initiating complaint in the proceeding.

Section 766.25 Interlocutory Review Not Allowed

The Commission shall not conduct any interlocutory review of any rulings made by a Hearing Examiner in any proceeding filed pursuant to Section 13-515 of the

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Act. Section 200.520 of the Commission's Rules of Practice (83 Ill. Adm. Code 200.520) is not applicable to any proceedings subject to this Part.

SUBPART B: EMERGENCY RELIEF PROCEDURES

Section 766.100 Waiver of Emergency Time Limits

- a) When a complainant files a complaint seeking emergency relief pursuant to Section 13-515(e) of the Act, the complainant must indicate in the complaint whether it will agree to waive the requirement that the decision of the hearing examiner or arbitrator to grant or deny emergency relief shall be considered an order of the Commission unless the Commission enters its own order within 2 calendar days after the decision of the hearing examiner or arbitrator.
- b) A respondent served with a complaint seeking emergency relief pursuant to Section 13-515(e) of the Act must notify the Commission and the complainant, either within 24 hours after receipt of the complaint when the complaint is filed before noon, or by noon on the next business day when the complaint is filed after noon, whether it will agree to waive the requirement that the decision of the hearing examiner or arbitrator to grant or deny emergency relief shall be considered an order of the Commission unless the Commission enters its own order within 2 calendar days after the decision of the hearing examiner or arbitrator.
- c) In all cases in which the complainant and respondent agree to waive the requirement that the decision of the hearing examiner or arbitrator to grant or deny emergency relief shall be considered an order of the Commission unless the Commission enters its own order within 2 calendar days after the decision of the hearing examiner or arbitrator, the decision shall be considered the final order of the Commission unless the Commission enters its own order within 2 business days after the decision of the hearing examiner or arbitrator.

Section 766.110 Emergency Relief Filing Requirements

- a) Any party filing a complaint in which it seeks emergency relief under Section 13-515(e) of the Act shall also file with the complaint a draft order that complies with the requirements for an order that are specified in Section 13-515(e). The complaint for emergency relief shall include as an exhibit a copy of any written notice submitted to the respondent pursuant to Section 13-515(c) of the Act or, if no written notice was submitted, an affidavit attesting to compliance with Section 13-515(c) of the Act.
- b) A respondent in a proceeding in which the complainant is seeking emergency relief may file a response. If a respondent chooses to file a response, it must do so by noon of the next business day.
- c) Any respondent that has been served with a complaint in which the

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complainant is seeking emergency relief may file a draft order at any time prior to the issuance of an order by the hearing examiner or arbitrator granting or denying the emergency relief.

SUBPART C: PROCEDURE PRIOR TO ISSUANCE OF ORDER

Section 766.300 Filing of Briefs

To facilitate the issuance of an order as contemplated by Section 13-515(d)(7) of the Act, the complainant and the respondent shall file a brief and any reply brief in the proceeding according to the briefing schedule set by the hearing examiner. Each party shall serve in hand a copy of its brief on the opposing party or parties and Commission Staff at the time of the filing of the brief. If Staff files a brief in the proceeding, it shall follow the briefing schedule set by the hearing examiner.

Section 766.310 Filing of Draft Orders

Both the complainant and the respondent to a proceeding in which a brief is filed shall file a draft order in the proceeding at the time the party files its initial brief in the proceeding. If reply briefs are to be filed in a proceeding, the draft order may be filed at the time of the filing of the reply brief.

SUBPART D: ASSESSMENT OF COSTS AND IMPOSITION OF PENALTIES

Section 766.400 Assessment of Costs

The assessment of the Commission's costs of investigation and conduct of proceedings under this Part shall be issued to the parties by the Commission's Administrative Services Division.

Section 766.410 Procedure for Imposition of Penalties

- a) Any action to impose a penalty under Section 13-516(a) of the Act [220 ILCS 5/13-516(a)] shall be on the Commission's own motion.
- b) In any action to impose a penalty under Section 13-516(a) of the Act, the Commission shall serve notice on the respondent at least 7 days before the initial hearing.
- c) The conduct of the proceeding shall comply with the Commission's Rules of Practice (83 Ill. Adm. Code 200) including, but not limited to, the right to a hearing, the right to a proposed order, and the right to a written order.

Section 766.415 Factors in Assessing Penalties

In assessing a penalty authorized by Section 13-516 of the Act, factors to be considered by the Commission shall include, but not be limited to, the

ILLINOIS COMMERCE COMMISSION

NOTICE OF ADOPTED RULES

following factors:

- a) Lack of mitigating circumstances;
- b) Lack of good faith or intent;
- c) Ability to pay;
- d) Degree of harm to the complainant or the public and the extent of the violative conduct; and
- e) Financial benefit accruing to the respondent.

ILLINOIS FARM DEVELOPMENT AUTHORITY

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Illinois Farm Development Authority

- 2) Code Citation: 8 Ill. Adm. Code 1400

- 3)

<u>Section Numbers:</u>	<u>Adopted Action:</u>
1400.140	Amendment
1400.145	Amendment
1400.146	Amendment
1400.147	Amendment
1400.148	Amendment

- 4) Statutory Authority: 20 ILCS 3605/7

- 5) Effective Date of Rulemaking: January 30, 1998

- 6) Does this rulemaking contain an automatic repeal date? No

- 7) Does this rulemaking contain incorporations by reference? No

- 8) Date Filed in Agency's Principal Office: January 23, 1998

- 9) Notice of Proposal Published in Illinois Register: June 13, 1997, 21 Ill. Reg. 7060

- 10) Has JCAR issued a Statement of Objections to these rules? No

- 11) Difference(s) between proposal and final version: Minor grammar and style changes made.

- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

- 13) Will this rulemaking replace an emergency rule currently in effect? No

- 14) Are there any amendments pending on this Part? No

- 15) Summary and Purpose of Rulemaking: The changes are to incorporate Public Acts 89-154 and 89-527 and changes in Authority policies.

- 16) Information and questions regarding these adopted amendments shall be directed to:

Name: Laura Lanterman, C.P.A.
Address: Chief Financial Officer
Illinois Farm Development Authority
427 East Monroe Street, Suite 201
Springfield, Illinois 62701
Telephone: (217)782-5792

ILLINOIS FARM DEVELOPMENT AUTHORITY

NOTICE OF ADOPTED AMENDMENTS

The full text of the Adopted Amendment begins on the next page:

ILLINOIS FARM DEVELOPMENT AUTHORITY

NOTICE OF ADOPTED AMENDMENTS

TITLE 8: AGRICULTURE AND ANIMALS
CHAPTER VII: ILLINOIS FARM DEVELOPMENT AUTHORITY

PART 1400

ILLINOIS FARM DEVELOPMENT AUTHORITY

Section	Definitions
1400.10	Composition, Appointment and Terms of Office
1400.20	Officers
1400.30	Executive Director
1400.40	Meetings
1400.50	Quorum
1400.60	Reimbursement
1400.70	Rules of Order
1400.80	Records and Reports
1400.90	Public Participation
1400.100	Rulemaking Procedures
1400.110	Purchasing Rules and Regulations
1400.120	Rules and Guidelines Applicable to All Bond Programs
1400.130	Bond Programs and Rules Applicable to Each
1400.140	Rules and Guidelines Applicable to the Interest Buy Down Program
1400.145	(Repealed)
1400.146	Rules and Guidelines Applicable to the Young Farmer Guarantee Program
1400.147	Rules and Guidelines Applicable to the State Guarantee Program for Restructuring Agricultural Debt
1400.148	Rules and Guidelines Applicable to the Specialized Livestock Guarantee Parm-Debt-Relief Program
1400.149	Rules and Guidelines Applicable to the State Guarantee Program for Agri-Industries
1400.150	Seal
1400.160	Principal Office
1400.170	Revision
1400.180	Construction; Waiver; Severability
ILLUSTRATION A	OIALP Regions (Repealed)

AUTHORITY: Implementing and authorized by the Illinois Farm Development Act [20 ILCS 3605] and by the Farm Credit Allocation Act [20 ILCS 3610].

SOURCE: Emergency rules adopted at 6 Ill. Reg. 9340, effective July 15, 1982, for a maximum of 150 days; adopted at 7 Ill. Reg. 242, effective December 22, 1982; emergency amendment at 8 Ill. Reg. 363, effective December 27, 1983, for a maximum of 150 days; amended at 8 Ill. Reg. 8489, effective May 31, 1984; emergency amendment at 9 Ill. Reg. 8186, effective May 16, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 15493, effective October 1, 1985; emergency amendment at 9 Ill. Reg. 17879, effective October 31, 1985, for a maximum of 150 days; emergency expired March 21, 1986; emergency amendment at 10 Ill. Reg.

ILLINOIS FARM DEVELOPMENT AUTHORITY

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2059, effective January 10, 1986, for a maximum of 150 days; emergency amendment at 10 Ill. Reg. 4599, effective February 28, 1986, for a maximum of 150 days; emergency expired July 28, 1986; amended at 10 Ill. Reg. 11001, effective June 9, 1986; amended at 11 Ill. Reg. 3862, effective February 27, 1987; amended at 11 Ill. Reg. 9894, effective May 12, 1987; amended at 12 Ill. Reg. 11219, effective June 20, 1988; amended at 13 Ill. Reg. 2440, effective February 10, 1989; amended at 13 Ill. Reg. 14376, effective August 30, 1989; amended at 17 Ill. Reg. 3618, effective March 5, 1993; amended at 17 Ill. Reg. 15808, effective September 10, 1993; amended at 19 Ill. Reg. 7582, effective May 26, 1995; amended at 22 Ill. Reg. 6433, effective 6-1-93.

JAN 23 1998

Section 1400.140 Bond Programs and Rules Applicable to Each

a) Beginning Farmer Program.

1) Purpose. This program is intended to facilitate the acquisition, construction or reconstruction of agricultural land and improvements and depreciable agricultural property by beginning farmers, as hereinafter defined. Eligible loan activities under this program consist of financing purchases of the following:

- A) Depreciable agricultural property.
B) Agricultural improvements. Examples are: confinement systems for swine, cattle, or poultry, barns and other out buildings, silos, tiling and soil conservation practices such as terraces, farm ponds, erosion control structures, waterways, etc.

C) Agricultural land.

2) Eligibility Requirements Particular to the Beginning Farmer Program.

- A) The eligible applicant must be a beginning farmer. "Beginning farmer" means an individual with a low or moderate net worth who engages in farming or wishes to engage in farming.
B) Low or moderate net worth means an aggregate net worth of an individual and the individual's spouse and minor children, if any, of less than two--hundred--fifty--thousand--dollars \$200,000 (\$250,000).
C) Net worth means total assets minus total liabilities as determined by the lender, in accordance with rules of the Authority and accepted accounting procedures.
D) Total assets shall include, but not be limited to the following: cash crops or feed on hand; livestock held for sale; breeding stock; marketable bonds and securities; securities (not readily marketable); accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment, cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interests

ILLINOIS FARM DEVELOPMENT AUTHORITY

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interest in a trusts ~~trust~~; government payments or grants; and all any other assets. (Section 2(l) of the Act)- Total assets shall not include items used for personal, family or household purposes by the applicant, but in no event shall such property be excluded to the extent that a deduction for depreciation is allowable for federal income tax purposes. All assets shall be valued at fair market value by the participating lender. Such value shall be what a willing buyer would pay a willing seller in the locality. A deduction of ten percent may be made from fair market value of farm and other real estate.

E) Total liabilities shall include, but not be limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts amount owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; and all any other liabilities ~~liabilities~~- (Section 2(m) of the Act)-

- 3) Issuance of Bond. Following approval of the loan, the Authority shall issue a bond, to be purchased by the participating lender, in the amount and fitting the terms of the loan to the farmer.
4) This program takes effect upon adoption pursuant to this Part.

b) Agricultural Manufacturing Bond Program

1) Purpose. This program is designed to encourage the development and expansion of agribusiness manufacturing operations in Illinois. The intention of this program is to enhance economic growth in Illinois by creating and saving jobs in the rural areas of the State.

2) Eligibility Requirements Particular to the Agricultural Manufacturing Bond Program.

- A) The applicant must be an agribusiness as defined in the Act and in Section 1400.10 of this Part. The applicant must also be a "manufacturing facility" as defined in Section 144(a)(12)(C) of the Internal Revenue Code of 1986. This means any facility which is used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property).
B) The applicant, including all affiliates and subsidiaries, must have no more than 100 employees at the time of application or have had gross income of no more than \$2 million for the calendar year preceding the date of application. "Gross income" for this purpose means the amount of gross income properly reportable for federal income tax purposes for the taxable year under the provisions of the Internal Revenue Code of 1986.
C) The IFDA shall waive the requirements of subsection Section 1400.140 (b)(2)(B) for any Agricultural Manufacturing Facility which at the time of application does not operate a

ILLINOIS FARM DEVELOPMENT AUTHORITY

NOTICE OF ADOPTED AMENDMENTS

- facility within the State of Illinois.
- 3) The amount of a loan authorized herein to any agricultural manufacturing facility shall be limited by Section 144(a)(4)(A) of the Internal Revenue Code of 1986 with respect to the issuance of small issue industrial development bonds. In no event shall any loan to any one agricultural manufacturing facility exceed \$10 million.
- 4) Issuance of Bond. Following approval of the loan, the Authority shall issue a bond, in the amount of and fitting the terms of the loan, to be purchased by the participating lender.
- 5) This program takes effect upon adoption pursuant to this Part.
- 6) The applicant must pay a \$100 \$200 fee at the time of application.

(Source: Amended at 22 Ill. Reg. _____, effective _____, JAN 23 1990)

Section 1400.145 Rules and Guidelines Applicable to the Interest Buydown Program (Repealed)

- a) General Description of Program:--The Interest-Buydown-Program--(4IBP) is intended to provide farmers with farm-operating credit at affordable costs to Illinois farmers. The provisions of this Section 1400.145 are applicable only to the IBP, and the provisions of Section 1400.140 and 1400.140 of this Part are inapplicable to the loans and procedures provided for pursuant to this Section.
- b) Definitions Applicable to IBP Only.
- Operating loan means a loan to an applicant in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, feeding, and management of livestock or poultry on a farm of which the applicant is the owner, tenant, or operator for the current year's operating expenses. (Ill. Rev. Stat. 1985, ch. 5, par. 1253(b))
- Payment--Adjustment means an amount of money equal to one-half of the total interest payable on the principal of an operating loan. (Ill. Rev. Stat. 1985, ch. 5, par. 1253(d))
- c) Applicant Eligibility.
- 1) The applicant must be a resident of the State of Illinois, to be considered a resident, the applicant must maintain a dwelling place in the State.
- 2) The applicant must be the principal operator of the farm or land for which the loan is contemplated to be used.
- 3) The applicant is only eligible for one IBP loan per any one farm operation based on the previous year's filing of Federal income tax Return Form 1041. One IBP loan can be made to each entity filing a separate Federal income tax Return Form 1041.

ILLINOIS FARM DEVELOPMENT AUTHORITY

NOTICE OF ADOPTED AMENDMENTS

- 4) The applicant must demonstrate that his/her debt-to-asset ratio is not less than 55% on the date of application.
- 5) The applicant must be determined to be creditworthy by the lender.
- 6) The applicant must agree to secure the payment adjustment.
- 7) The applicant cannot be a lender or an employee of a lender, or an employee or member of the board of the Authority.
- 8) The applicant must certify that the proceeds of the operating loan will be used for the qualified purposes of the IBP.
- 9) Qualified purposes--Eligible loan activities under the program consist of financing an operating loan to be used during the year in which the loan is made in connection with cultivating the soil and planting, raising and harvesting any agricultural or horticultural commodity on a farm of which the applicant is the principal operator, and shall not be used to prepay a prior loan or to replace the proceeds therefrom.
- e) Participating lenders--Any federal or State chartered bank, federal land bank, production credit association, bank for cooperative federal or State chartered savings and loan association or building and loan association, business investment company or any other institution qualified within this State to originate and service loans, including but without limitation to insurance companies, credit unions and mortgage loan companies. (Ill. Rev. Stat. 1985, ch. 5, par. 1253(c))
- f) Required terms of the loan.
- 1) The maximum principal amount of an operating loan through the IBP is \$150,000.
- 2) The effective interest rate that can be charged on an IBP loan shall not exceed the lesser of the prevailing farm operating loan rate or 13.0 percent. The lender must establish the interest rate when the application is made. The interest rate shall be at a fixed or variable rate.
- 3) All operating loans under the IBP shall be due and payable within 14 months after the operating loan is granted.
- g) Application procedures and review.
- 1) The farmer may apply on forms provided by the Authority for an IBP loan with any participating lender. The applicant must provide a \$75.00 non-refundable application fee. Any loan approved will be assigned to that participating lender. If a farmer meets the IBP eligibility requirements, the decision on whether to enter into the loan agreement is between the farmer and the participating lender. They must agree on terms of the loan, such as interest rates, length of loan, down payment, service fees, origination charges, and repayment schedule, within the confines of the required terms set out under subsection (f) above.
- 2) The application period for loans through the IBP will commence on May 1 and end on June 14 of the applicable year.

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- 3) Following completion of the loan application by the farmer and approval by the participating lender, the loan application must be submitted to the Authority for its review and approval pursuant to Sections 1400.145(f)(4) and 1400.145(f)(5). The Authority's review will include, but not be limited to, whether the loan applicant is an eligible farmer under subsection (c) hereof, whether the loan proceeds will be used for qualified purposes under subsection (d) hereof, and whether the terms of the loan comply with subsection (f) hereof.
- 4) When an IFB application is submitted to the Authority, the Executive Director shall review the IFB application to determine whether it is complete and whether the criteria established by the Emergency Farm Credit Allocation Act and these rules have been satisfied. The Executive Director must have completed the review process by June 15 of the applicable year:
- A) If the Executive Director determines that the loan application is incomplete, he shall, within 5 days of such determination, inform the applicant and the participating lender of such determination, and shall detail the information or material which is necessary to complete the application. For the purposes of subsection (4), no application shall be deemed complete until the applicant or participating lender has provided additional information or material as requested by the Executive Director.
- B) When the Executive Director has completed his review of the IFB application, he shall present the IFB application, with a statement of recommended action, to the board at its next regularly scheduled or special meeting.
- 5) The Board shall review each IFB application presented by the Executive Director on or before June 15 of the applicable year, in accordance with the provisions of the Act and these rules, and the board shall:
- A) Approve the loan pursuant to the Act; the Emergency Farm Credit Allocation Act and these rules; or
- B) Deny the application and serve upon the applicant and the participating lender a written statement of the grounds of denial.
- 6) Source of Payment and Nature of Obligation. Payment and nature of the obligation will be as set forth in Section 8 of the Emergency Farm Credit Allocation Act. The applicant must collateralize 100% of the payment adjustment.
- 7) Priority of Applications. The Authority is authorized under the Emergency Farm Credit Allocation Act to approve payment adjustments in an aggregate amount not to exceed 25 million dollars. Applications will be processed by the Authority on a first come, first served basis based upon the receipt of all completed documents by the Authority. Priority shall be given to those applications which are received by the Authority the earliest. The Authority may deviate

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from the first come, first served rule to fully utilize the allocation for payment adjustments:

3) Post-issuance Certification. No IFB proceeds may be used for a non-qualified purpose or by a non-eligible user. Following disbursement of the loan proceeds, the farmer shall certify to the Authority that the proceeds were used by that farmer for a qualified purpose.

4) Assumption of Loans. Substitution of Security and Transfer of Property. Loans may not be assumed without the prior approval of the Authority and then only if the purchaser of the property is an eligible applicant for an IFB loan. A written request for assumption of a loan must be submitted to the Authority, and the person assuming the loan must submit a completed IFB application and otherwise meet all requirements of the IFB. Approval shall be given if the transfer maintains 100% collateralization of the payment adjustment.

(Source: Repealed at 22 Ill. Reg. 11.1, effective JAN 23 1996)

Section 1400.146 Rules and Guidelines Applicable to the Young Farmer Guarantee Program

- a) General Description of Program. The Young Farmer Guarantee Program (YFG) is designed to enhance credit availability to younger farmers who are purchasing capital assets. Loan funds may be used for new purchases of capital assets such as land, buildings, machinery, equipment, breeding livestock, soil and water conservation projects, etc. In some cases, up to 50% of the loan proceeds may be used to refinance existing debt as needed to improve lien positions. The provisions of this Section are applicable only to the YFG.
- b) Definitions Applicable to the YFG.

"Applicant" means a farmer whose application for a Young Farmer Guarantee has been submitted to the Authority by a lender.

"Asset" includes, but is not limited to, the following: cash crops or feed on hand; livestock held for sale; breeding stock; cash; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interest in trusts; government payments or grants; capitalized leases; retirement accounts capitalized leases; retirement accounts; and all other assets. [20 ILCS 3605/2]

"Debt to Asset Ratio" means total outstanding liabilities, including any debt to be financed or refinanced under this Section, divided by total outstanding assets. [20 ILCS 3605/12.4]

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"Fund" means the Illinois Farmer and Agribusiness Loan Guarantee Fund, which is the State's fund to cover losses resulting from defaults on young farmer guarantee loans which is the State's fund to cover losses resulting from defaults on young farmer guarantee loans. [20 ILCS 3605/12.4]

"Gross Annual Income" means income as defined in Section 61 of the Internal Revenue Code (26 U.S.C. 61).

"Liability" includes, but is not limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; indebtedness under capitalized leases; and all other liabilities liability. [20 ILCS 3605/2]

"YFG loan" means an installment note for which the State of Illinois shall be liable for 85% of the total principal and interest as determined by the Authority.

"Young Farmer" means a resident of Illinois who is at least eighteen 18½ years of age, who is a principal operator of a farm or land, who derives or will derive or will derive at least 50% of gross annual income from farming, who has a net worth of not less than \$10,000 or more than \$250,000, and whose debt to asset ratio is not less than 40%. [20 ILCS 3605/12.4]

c) Eligible Farmers. To qualify for participation in the YFG, each farmer must:

- 1) be at least eighteen 18½ years of age and maintain his principal residence in the State and maintain his principal residence in the State 7 [20 ILCS 3605/12.4];
- 2) be the principal operator of a farm who derives or will derive or will derive at least 50% of annual gross income from farming; [20 ILCS 3605/12.4];
- 3) have a debt to asset ratio of not less than 40% and not greater than 70% after purchase of the capital item to 70% after purchase of the capital item and have a net worth of not less than \$10,000 and not more than \$250,000; [20 ILCS 3605/12.4];
- 4) demonstrate the ability to adequately service the proposed debt. If this ability is not adequately demonstrated, he can have a guarantor sign the note with him and/or pledge additional collateral for the loan;
- 5) provide sufficient collateral to secure the YFG loan and agree to keep it adequately collateralized in the future. All real estate and depreciable property which is to be used as collateral on a YFG loan must be evaluated by a qualified appraiser. All real estate appraisals must meet Federal regulatory requirements and meet the Uniform Standards of Professional Appraisal Practice of

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the Appraisal Foundation. Auctioneers and machinery and equipment dealers are qualified to appraise depreciable property. The applicant is liable for all appraisal fees connected with the YFG Loan;

- 6) certify that all of his debts will be current at the time the YFG loan is closed, certify that all of his debts will be current at the time the YFG loan is closed, ~~the time the YFG loan is closed~~. [20 ILCS 3605/12.4]

d) Limitations

- 1) YFG loans shall not exceed \$300,000 per young farmer. A young farmer may use this program more than once provided the aggregated principal amount of YFG loans to that young farmer does not exceed \$300,000. [20 ILCS 3605/12.4]
- 2) each YFG loan shall be set up on a payment schedule not to exceed 30 years, but shall be no longer than 15 years in duration. [20 ILCS 3605/12.4] The payment schedule for the loan will be tailored to the applicant's collateral and cash flow. Real estate loans may be amortized up to twenty-five years with a 15 fifteen year balloon. Loans with depreciable property as collateral will be amortized over a shorter period.
- 3) The YFG loan can be fully or partially paid at any time while the loan is outstanding as long as the loan is held in the lender's portfolio and not sold into a secondary market. YFG loans may not be assumed.

e) Application Procedures and Review.

- 1) Lenders shall apply for the YFG loans YFG loans on forms provided by the Authority. The application shall at a minimum contain the young farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State guarantee. [20 ILCS 3605/12.4] Applications shall be processed by the Authority on a first come, first served basis, based upon the receipt of all completed documents by the Authority.
- 2) Lenders shall certify that the application and any other documents submitted are true and correct. [20 ILCS 3605/12.4]
- 3) Each applicant shall pay a \$300 application fee which will be submitted to the Authority at the time of the application. At the time the loan is closed, the applicant will be required to pay a closing fee of 3/4 of 1% of the YFG loan amount less the \$300 application fee. Of this 3/4 of 1% closing fee, the Authority shall receive 1/2% and the lender shall receive 1/4% to cover administrative expenses in completing the application packet and closing documents. The 3/4 of 1% closing fee may be included in the State Guarantee loan amount. The lender shall charge no fees or points in addition to those outlined herein. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements,

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- insurance for secondary market issues, and any other similar fee or charge that the Authority authority may require. [20 ILCS 3605/12.4]
- 4) When a State Guarantee application is submitted to the Authority, the Authority shall review the application to determine whether it is complete and whether it meets the criteria established by the Act and this Section. When the Authority has completed the review of the Guarantee application, the application shall be presented, along with a statement of recommended action, to the Board for review at its next regularly scheduled meeting. The review shall include whether the applicant and lender are in compliance with the requirements of the program. The review shall also include an evaluation of collateral, percentage of loan, debt to asset ratio, cash flow, etc.
 - 5) The Board shall approve the application and provide the Guarantee, pursuant to the Act and this Section; or, deny the application and serve upon the lender and applicant a written statement of the grounds for the denial.
 - 6) If the application is denied, the applicant and the lender may request reconsideration stating reasons why the Board should withdraw its denial of the application and approve the State Guarantee. The request should be accompanied by supporting documents and/or information not previously considered by the Board. The Board shall review the request at its next scheduled meeting, and shall either approve or deny the application. A denial of a request for reconsideration shall be final.
 - 7) Upon approval of an application and receipt of the documentation necessary to prepare loan closing documents, a YFG loan Closing Documents package, which contains all the appropriate forms and documents to execute, shall be prepared by the Authority and sent to the lender. Upon completion of all such forms and documents by the applicant, lender and Authority and after satisfaction of all loan closing requirements, the YFG loan guarantee will be considered in force.
 - f) Provision or Renewal of State Guarantees. The Authority shall provide or renew a State Guarantee to any lender if, in addition to meeting the other criteria described in the Act and this Section, the lender:
 - 1) charges a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the YFG loan YFG--loan can be converted to a fixed interest rate at any time during the term of the loan; [20 ILCS 3605/12.4];
 - 2) pays a fee equal to 25 basis points on the loan to the Authority on annual basis agrees--to--pay--to--the--authority--an--annual--fee equal--to--25--basis--points--on--the--loan; [20 ILCS 3605/12.4];
 - 3) agrees to complete and agrees-to-complete-and certify that, to the best of the lender's knowledge, all information is to-the

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- best-of-the-lender's--knowledge,--all--information--is true and correct on the application, balance--sheets,--security--analysis, cash flow projection, balance--sheets,--security--analysis,--cash flow--projection and any other documents that the Authority may request submitted; [20 ILCS 3605/12.4];
- 4) identifies identifies collateral acceptable to the Authority in accordance with subsection (h) in--accordance--with--subsection--(h) that is at least equal to the State Guarantee loan request loan request; [20 ILCS 3605/12.4];
 - 5) assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default subject to consulting the Authority; [20 ILCS 3605/12.4];
 - 6) is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided assumes responsibility-for-and-agrees-to-absorb-the-first-15%-loss-of-the-outstanding-principal-of-the-note-for-which-the-State-Guarantee has-been-applied; [20 ILCS 3605/12.4];
 - 7) assumes responsibility for the timely collection and disposition of collateral on a YFG loan that is in default; provided, however, that the lender shall not collect or dispose of collateral on the YFG loan without the express written prior approval of the Authority. Approval shall be granted if the collateral is disposed of in a commercial manner, which nets an amount closely approximating the value of the collateral; agrees that the Authority has final approval on the sale of all collateral for the YFG loan. After the sale of collateral, the State shall be reimbursed its 85% guaranteed portion of the principal balance at default. If funds from the sale of collateral remain after this payment, the lender shall be reimbursed its 15% of the principal balance at default. If excess funds remain after paying the principal to the State and lender, then the State and lender shall be repaid interest on a prorated basis; 85% of such excess funds shall be allocated to the State's portion and 15% shall be allocated to the lender's portion.
 - g) The YFG loan shall be subject to an annual review and renewal annually by the lender and the Authority -IRDA [20 ILCS 3605/12.4] for adequacy of collateral and performance by the applicant. The applicant is required to provide the lender with a current financial statement annually.
 - 1) If it is determined that there is not sufficient collateral to adequately secure the YFG loan, additional collateral may be required. If the applicant is unwilling or unable to pledge additional collateral, the YFG loan may be called due and payable.
 - 2) If a YFG loan is going to be called for any reason, written notice which specifies the reasons for said action must be served to all parties (IRDA, lender, and borrower) not less than 90

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- ninety days prior to call of the loan.
- 3) Failure of the applicant to make any payment on or before its due date shall render the loan delinquent. Notice of this delinquency shall immediately be sent to all parties. If the loan remains delinquent for a period of 90 days, the total outstanding principal and interest shall become due and payable immediately on the entire YFG loan. The YFG loan cannot be reinstated after the 90-day delinquency period.
- h) In the event of default that is not cured within 90 ninety days or in the event a loan is called for any reason, the Authority shall make payment of the guaranteed portion of the YFG loan to the holder of the guarantee. This payment shall be equal to the sum of:
- 1) 85% of the principal balance as of the date of default or date of call less any proceeds received from sales of collateral;
 - 2) 85% of the interest balance as of the date of default or call; and
 - 3) 85% of the interest accrued from the date of default or call until the date payment is made up to a maximum of 120 days.
- i) ~~The Illinois Farmer and Agribusiness Loan Guarantee Fund shall~~ be used to secure State guarantee on YFG loans on YFG loans. [20 ILCS 3605/12.4]
- 1) The Authority shall guarantee up to \$35,000,000 in loans through the State Livestock Guarantee Program (SLP), YFG and State Guarantee Program for Agri-Industries (SGPAI). The Illinois Farmer and Agribusiness Loan Guarantee Fund shall be funded with \$10,000,000 to cover any losses under these programs.
 - 2) The Authority shall direct payments from this fund to guarantee holders as described in subsection (h) above.
 - 3) Monies returned to the State on the disposition of collateral as described in subsection (f) above shall be deposited to this fund.

(Source: Amended at 21 Ill. Reg. 6/4, effective JAN 23 1990)

Section 1400.147 Rules and Guidelines Applicable to the State Guarantee Program for Restructuring Agricultural Debt

- a) General Description of Program. The State Guarantee Program ("SGP") is intended to provide farmers who are experiencing financial difficulties caused by high interest rates and low commodity prices with a debt restructuring schedule to consolidate and spread out existing debt over a longer term at a reduced interest rate so that farmers will be able to continue existing farming operations. The provisions of this Section 1400.147 of this Part are applicable only to the SGP, and the provisions of Sections 1400.130 and 1400.140 of this Part are inapplicable to the SGP and procedures provided for pursuant to this Section.

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- b) Definitions Applicable to the SGP only.

"Applicant" means a farmer whose application for a State Guarantee has been submitted to the Authority by a lender.

"Asset" includes, but is not limited to, the following: cash crops or feed on hand; livestock held for sale; breeding stock; cash; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates, personal residence, and value of beneficial interests life-interest in trusts; government payments or grants; capitalized leases; retirement accounts; and all any other property and assets.

"Current Outstanding" means on the date of the application for any State Guarantee.

"Current Status" means the absence of any arrearages in any previously incurred debt for which a State Guarantee is sought.

"Debt to Asset Ratio" means the current outstanding liabilities of the farmer divided by the current outstanding assets of the farmer. [20 ILCS 3605/12.1]

"Farmer" means a resident of Illinois, who is a principal operator of a farm or land, at least 50% of whose gross annual income is derived from farming and whose debt to asset ratio shall not be less than 40%, except in those cases where the applicant has previously used the Guarantee Program there shall be no debt to asset ratio restriction. [20 ILCS 3605/12.1]

"Fund" means the Illinois Agricultural Loan Guarantee Fund, which is the State's fund to cover losses resulting from defaults on State Guarantee loans which--is the State's fund-to-cover losses--resulting from defaults on State Guarantee loans. [20 ILCS 3605/12.1]

"Gross Annual Income" means income as defined in Section 61 of the Internal Revenue Code (26 U.S.C. 61).

"Liability" includes, but is not limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments; accrued interest payable; indebtedness under capitalized leases; and all any other liabilities. liability. [20 ILCS 3605/2]

"State Guarantee" means a note for which the State of Illinois shall be liable for 85% of the total principal and interest of the note as

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determined by the Authority.

- c) Eligible Farmers. To qualify for participation in the SGP, each farmer must:
 - 1) maintain his principal residence in the State;
 - 2) be at least ~~eighteen--~~ 18½ years of age at the time of application;
 - 3) be the principal operator of the farming business for which the funds guaranteed by the SGP are contemplated to be used;
 - 4) be able to show, based upon his/her most recent Federal Income Tax Return and current data, that at least 50% of his/her annual gross income is derived from farming;
 - 5) have a debt to asset ratio of not less than 40% and not greater than 65%, unless the loan is a renewal of an existing guarantee;
 - 6) provide sufficient collateral to secure the State Guarantee and agree to keep the State Guarantee adequately collateralized in the future;
 - 7) certify and agree that he/she will only use the State Guarantee to consolidate and restructure existing farming debts.
- d) Limitations.
 - 1) No State Guarantee ~~No-State-Guarantee~~ shall exceed \$300,000 per farmer or farming operation ~~or--farming--operation~~. [20 ILCS 3605/12.1]
 - 2) Each State Guarantee ~~Each-State-Guarantee~~ shall be set up on a payment schedule not to exceed 30 years, but shall be no longer than 10 years in duration. [20 ILCS 3605/12.1]
 - 3) Only one State Guarantee shall be outstanding per farmer at any one time. [20 ILCS 3605/12.1]
 - 4) Only one State Guarantee shall be outstanding at any one time made for any one farming operation. If applicants file separate Schedule F's for their Federal Income Tax Returns, then they will be considered to operate separate farming operations.
- e) Application Procedures and Review.
 - 1) Lenders interested in the SGP must complete a Letter of Interest and return it to the Authority's office in Springfield, Illinois. After the Letter of Interest has been received by the Authority, the lender will be placed on the mailing list for the SGP.
 - 2) The lenders shall apply for State Guarantees on forms approved and ~~for-forms-approved-and~~ provided by the Authority ~~--for--State Guarantees--to--the--Authority~~. The application shall, at a minimum, contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the State Guarantee. [20 ILCS 3605/12.1]
 - 3) After approval of the application and receipt of the documentation necessary prior to closing the loan, the Authority shall send a State Guarantee Closing Documents package to the lender containing all the appropriate forms and documents to

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- execute. Upon completion of all such forms and documents by the applicant, lender and Authority, the State Guarantee loan will be considered closed.
- 4) The lender shall certify that all the information contained on the application and other submitted documents is correct, and shall be liable to the Authority for any damages suffered by any incorrect or untrue statement contained in any certified application.
 - 5) The application period for the SGP shall commence immediately upon the determination that these Rules are properly filed with the office of the Secretary of State, and end when the Authority has issued State Guarantees equal to \$160,000,000 or at any later time as may be set from time to time by legislative extension.
 - 6) Following submission of the Guarantee application by the lender, the Authority shall review the application. The Authority's review shall include, but will not be limited to, whether the applicant is an eligible farmer and whether the lender has complied with the requirements of subsection (f) of this Section. The Authority will base its evaluation on collateral, percentage of loan, debt to asset ratio, cash flow, etc.
 - 7) When a State Guarantee application is submitted to the Authority, the Executive Director shall review the application to determine whether it is complete and whether it meets the criteria established by the Act and this Part:
 - A) If the Executive Director determines that the loan application is incomplete, he or she shall, within ~~fourteen~~ 14 days of such determination, inform the lender and the applicant of such determination, and detail the information or material that is necessary to complete the application. For the purposes of subsection (j) of this Section, no application shall be deemed complete until the lender or applicant has provided the additional information or material requested by the Executive Director.
 - B) When the Executive Director has completed his or her review of the Guarantee application, he or she shall present the application, with a statement of recommended action to the Board at its next regularly scheduled meeting. The Executive Director will base the review on collateral, percentage of loan, debt to asset ratio, cash flow, etc.
 - 8) The Board shall review each loan application presented by the Executive Director in accordance with the provision of the Act and this Part, and the Board shall:
 - A) approve the application and provide the Guarantee, pursuant to the Act and this Part; or
 - B) deny the application and serve upon the lender and applicant a written statement of the grounds of the denial.
 - 9) Each applicant shall pay a \$300 application fee which will be submitted to the lender at the time of the application. At the

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time the loan is made, the applicant may be required to pay a closing fee not greater than 3/4 of 1% of the State Guarantee which may be used to pay for administrative expenses incurred by the lender and the Authority. Of this 3/4 of 1% closing fee, the Authority shall receive 1/2% to cover administrative and legal expenses and the lender shall receive 1/4% to cover administrative expenses in completing the application packet and closing documents. The 3/4 of 1% closing fee may be included in the State Guarantee Loan amount. The Authority shall credit the \$300 application fee against the closing fee. The lender shall charge no fees or points in addition to those outlined herein. The applicant shall be responsible for paying any fees or charges involved in recording mortgages, releases, financing statements, insurance for secondary market issues and any similar fees necessary for closing and maintaining the State Guarantee or selling into the secondary market necessary-for-creating-and-maintaining-the-State-Guarantee-or-selling-it-into-the--secondary-market. [20 ILCS 3605/12.1]

- 10) If the application is denied, the applicant and the lender may file a Request for Reconsideration stating reasons why the Board should withdraw its denial of the application and approve the State Guarantee. This Request for Reconsideration must be filed with the Authority not later than 21 days after such denial. The Request for Reconsideration should be accompanied by supporting documents and/or information not previously considered by the Board. The Board shall review the Request for Reconsideration at its next scheduled meeting, and shall either approve the application or deny the Request for Reconsideration. The applicant will have the opportunity to present new relevant facts on his previous denial to the Board, and if such facts will establish eligibility, the Request will be granted. A denial of a Request for Reconsideration shall be final. While a Request for Reconsideration is pending, the application shall be deemed complete for the purposes of subsection (j) of this Section.
- f) Provision or Renewal of State Guarantees. The Authority shall provide or renew a State Guarantee to any lender if, in addition to meeting the other criteria described in the Act and this Part, the lender:
 - 1) agrees to bring the farmer's debt to a current status at the time the State Guarantee is provided; [20 ILCS 3605/12.1]
 - 2) Charges a fixed or adjustable interest rate which is below the market rate of interest generally available to the borrower. The market rate of interest is that rate which would be charged by the same lender for the same project without the State Guarantee. If both the lender and the applicant agree, the interest rate on the State Guarantee loan can be converted to a fixed interest rate at any time during the term of the loan; [20 ILCS 3605/12.1]
 - 3) agrees to pay to the Authority an annual fee equal to 25 basis points on the loan and any other necessary and ordinary

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- administrative expenses in excess of the 25 basis points as determined from time to time pursuant to the Act and this Part;
- 4) agrees to complete and agrees-to-complete-and certify that, to the best of the lender's knowledge, all information is to--the best-of-the-lender's-knowledge--all-information-is true and correct on the application, balance sheets, security analysis, cash flow projection ~~balance-sheets--security-analysis--cash-flow~~ protection and any other documents that the Authority may request ~~that-the-Authority-may-request;~~ [20 ILCS 3605/12.1]
 - 5) identifies collateral acceptable to the Authority in accordance with subsection (h) ~~in accordance-with-subsection-h~~ that is at least equal to the State guarantee loan request ~~loan-request;~~ [20 ILCS 3605/12.1]
 - 6) assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default subject to consulting the Authority; [20 ILCS 3605/12.1]
 - 7) is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided ~~assumes responsibility-for-and-agrees-to-absorb-the-first-15%-loss-of-the-outstanding-principal-of-the-note-for-which-the--State--guarantee has-been-applied;~~ [20 ILCS 3605/12.1]
 - 8) assumes responsibility for proceeding with the collecting and disposing of collateral on the State Guarantee within 14 months of the date that the loan is declared delinquent; provided, however, that the lender shall not collect or dispose of collateral on the State Guarantee without the express written prior approval of the Authority, [20 ILCS 3605/12.1] Approval shall be granted if the collateral is disposed of in a reasonably commercial manner, based on the manner, time and place of the sale, the purchase price and the purchaser. In the event that the lender fails in-the-event-that-the-lender-fails to dispose of the collateral within 14 months, the lender shall repay to the State interest on the State Guarantee equal to at the same rate which as the lender charges on the loan ~~loan;~~ provided, however, that the Authority shall ~~shall~~ extend the 14-month period for a lender in the case of bankruptcy or extenuating circumstances which prevent the lender from liquidating the collateral ~~which prevent-the-lender-from-liquidating-the-collateral.~~ The lender shall repay this interest to the State until the collateral for the State Guarantee has been liquidated and the State has been reimbursed. [20 ILCS 3605/12.1] If the lender fails to repay the State the interest as outlined herein, the Authority shall turn the matter over to the Attorney General's office for appropriate legal action;
 - 9) agrees that the Authority has final approval on the sale of all collateral for the State Guarantee. After the sale of collateral, the State shall be reimbursed 85% of the remaining principal amount of the State Guarantee loan. If the funds from

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the sale of collateral remain after this payment, the lender shall be reimbursed 15% of the remaining principal amount of the loan. If excess funds remain after paying the remaining principal to the State and lender, then the State and lender shall be repaid interest on a prorated basis; 85% of such excess funds shall be allocated to the State's portion and 15% shall be allocated to the lender's portion. If excess funds exist after repaying both the State and the lender, they shall be paid back to the farmer. ~~Agrees that the Authority has final approval on the sale of all collateral for the State Guarantee. After the sale of collateral, the State shall be reimbursed 85% of the remaining principal amount of the State Guarantee loan. If funds from the sale of collateral remain after this payment, the lender shall be reimbursed 15% of the remaining principal amount of the loan. If excess funds remain after repaying the remaining principal to the State and lender, then the State and lender shall be repaid interest on a prorated basis; 85% of such excess funds shall be allocated to the State's portion and 15% shall be allocated to the lender's portion. If excess funds exist after repaying both the State and the lender, they shall be paid back to the farmer.~~ (20 ILCS 3605/12.1)

g) Annual Review.

1) The lender and the Authority shall each, on an annual basis, review State Guarantees for any purpose including, but not limited to, present collateral value; timeliness of payments made by the farmer or any other purposes reasonably calculated to aid in determining the farmer's present and projected repayment capacity. If the Authority determines that the existing collateral is insufficient to cover the State's liability, additional collateral may be required. If the applicant fails to pledge such additional collateral, the State Guarantee loan may be called. ~~If the Authority determines that the existing collateral is insufficient to cover the State's liability, additional collateral may be required. If the applicant fails to pledge such additional collateral, the State Guarantee loan may be called.~~ (20 ILCS 3605/12.1)

2) In those cases where the borrower has not previously used the guarantee program, no State Guarantee shall be called by the lender or Authority during the first 3 years of the date on which the application is closed for any reason except defaults on payments or insufficient collateral. (20 ILCS 3605/12.1)

3) Except as otherwise provided in the Act or this Part, a State Guarantee may be called by the lender or Authority upon a 90-day written notice to all parties specifying the reasons for such call (e.g., submission of false documentation, changing loan documents, and change of state residency).

4) The lender can review and withdraw or continue with the State Guarantee on an annual basis after the first three years of the

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loan provided a 90 day notice, in writing, to all parties has been given. [20 ILCS 3605/12.1] Such notification must be provided on or before the date on which payment is due. ~~After the first 3 years of the SGP, the lender may review and withdraw or continue with the SGP. If a lender undertakes such a review, it must provide all parties with written notification of its decision whether to withdraw or continue. Such notification must be provided on or before the date on which payment is due.~~ (20 ILCS 3605/12.1)

5) The applicant must make all payments on the State Guarantee within 90 days of the stated payment date. Failure to make payments on or before their due date shall render the loan delinquent. Notice of this delinquency shall immediately be sent to all parties. If the loan remains delinquent for a period of 90 days, the total outstanding principal and interest shall become due and payable immediately on the entire State Guarantee Loan. The State Guarantee cannot be reinstated after the 90-day delinquency period.

h) Valuation of Collateral. The value of collateral shall be determined by a qualified farmland appraiser. A qualified appraiser is one who is qualified by virtue of membership in the Illinois Society of Farm Managers and Appraisers, or one whose qualifications have been reviewed by the Authority. The Authority shall have final authority to determine whether the collateral is sufficient to cover the State's liability and may appoint an independent appraiser to aid in its determination on the sufficiency of collateral. The Authority will view real estate as the primary collateral on SGP loans, with machinery and equipment and breeding livestock to be used as secondary collateral, except where no real estate is available. Collateral value may be reviewed each year by the lender or an independent appraiser appointed by the Authority. The Authority may, among other things, take a mortgage or lien on land or other assets to cover the State's liability. Collateral may be transferred only upon written approval by the Authority and the lender.

i) Fund. To implement and carry out the objectives of the SGP, the Fund has been created as a special Fund outside of the State Treasury.

1) The Authority is authorized to ~~may request~~ transfer no ~~of--not~~ more than \$45,000,000 to the Fund during the duration of the State Guarantee program SGP, to secure State Guarantees issued pursuant to this Section. Any amounts ~~amount~~ transferred from the Illinois Agricultural Loan Guarantee Fund to the General Revenue Fund under powers granted to the Governor by Public Act 87-14 shall not be considered in determining if the maximum of \$45,000,000 has been transferred into the Illinois Agricultural Loan Guarantee Fund. (20 ILCS 3605/12.1)

2) The State shall not ~~in no event will the State~~ be liable for more than \$45,000,000 to secure State Guarantees issued pursuant to this Section. (20 ILCS 3605/12.1)

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- 3) ~~In the event of default by the farmer, the lender shall be entitled to, and the Authority shall direct payment on, the State Guarantee after 90 days of delinquency. All payments by the Authority shall be made from the Illinois Agricultural Loan Guarantee Fund to satisfy claims against the State Guarantee. The Illinois Agricultural Loan Guarantee Fund shall guarantee receipt of payment of the 85% of the principal and interest owed on the State Guarantee loan by the farmer to the guarantee holder. If a farmer defaults on a loan secured by a State Guarantee, after 90 days of delinquency the lender shall request payments on the loan to be made by the fund, the Authority shall direct a single payment equal to 85% of the remaining principal plus interest at the set rate from the date of delinquency until the date of payment by the Authority. [20 ILCS 3605/12.1]~~ In no event shall the interest amount guaranteed by the Authority include interest accruing beyond 120 days from the date of default.
- 4) ~~The Fund shall be reimbursed for any amount paid under this subsection (i) this subsection upon liquidation of collateral which the lender shall seize and convert to cash in a reasonably commercial manner. [20 ILCS 3605/12.1]~~
- j) Priority of Applications. Applications shall be processed by the Authority on a first come, first served basis, based upon the receipt of all completed documents by the Authority.
- k) Guarantors and Additional Collateral. An applicant for a State Guarantee Loan may have a guarantor co-sign the note and/or pledge additional collateral for the State Guarantee Loan if the lender and Authority determine that the applicant alone cannot provide sufficient collateral for the State Guarantee.
- l) The State Guarantee. In the event of default, the Authority shall make payment on the State Guarantee of 85% of the outstanding principal and interest owed on the State Guarantee Loan to the holder of the State Guarantee. The payment shall be made by the Authority to the holder of the State Guarantee within 30 days after an appropriate request by a lender certifying that the 90-day delinquency period has elapsed. The payment shall include 85% of past due interest and 85% of the remaining principal.
- m) Prepayment of Loans. Each loan shall be paid at least on an annual basis with one payment due each year on the date on which the loan was closed for a period of ten years or until the loan is repayed, whichever occurs first. The State Guarantee Loan may be prepaid in full or in part at any time the loan is outstanding without penalty.
- n) Assumption of Loans. No State Guarantee loan may be assumed by any entity unless specifically authorized by the Authority. Such authorization will be granted only in extraordinary cases (e.g., death or serious illness of the applicant with assumption by an immediate family member).
- o) Total Obligations through the SGP. The Authority shall have outstanding guarantees in an aggregate principal amount up to

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\$160,000,000 through the SGP. The Illinois Agriculture Loan Guarantee Fund shall be funded with \$45,000,000 to cover any losses.

(Source: Amended at 22 Ill. Reg. effective
JAN 3 1998)

Section 1400.148 Rules and Guidelines Applicable to the Specialized Livestock Guarantee Farm-Debt-Relief Program

- a) General Description of Program. The Specialized Livestock Guarantee Program (SLP) is designed to enhance opportunities for many Illinois farmers who want to position themselves for success in the changing livestock industry. This program targets specialized, family sized livestock operations, including swine and dairy and beef cattle operations. Loan funds may be used primarily for construction, purchase, and/or remodeling of facilities, and also for purchases of equipment and breeding livestock. The provisions of this Section are applicable only to the SLP.
- b) Definitions applicable to the SLP.

"Applicant" means a farmer whose application for a Specialized Livestock Guarantee has been submitted to the Authority by a lender.

"Asset" includes, but is not limited to, the following: crops or feed on hand; livestock held for sale; breeding stock; cash; marketable bonds and securities; securities not readily marketable; accounts receivable; notes receivable; cash invested in growing crops; net cash value of life insurance; machinery and equipment; cars and trucks; farm and other real estate including life estates and personal residence; value of beneficial interest in trusts; government payments or grants; capitalized leases; retirement accounts; and any other assets.

"Debt to Asset Ratio" means total outstanding liabilities, including any debt to be financed or refinanced under this Section, divided by total assets.

"Fund" means the Illinois Farmer and Agribusiness Loan Guarantee Fund, which is the State's fund to cover losses resulting from defaults on Specialized Livestock Guarantee loans.

"Liability" includes, but is not limited to, the following: accounts payable; notes or other indebtedness owed to any source; taxes; rent; amounts owed on real estate contracts or real estate mortgages; judgments accrued; interest payable; indebtedness under capitalized leases; and any other liability.

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"SLP Loan" means an installment note for which the State of Illinois shall be liable for 85% of the total principal and interest as determined by the Authority.

c) Eligible Farmers. To qualify for participation in the SLP, the applicant must:

- 1) be a resident of the State of Illinois. In the case of entities other than sole proprietorships, the owners of such entity must be Illinois residents.
- 2) be the principal operator and/or materially involved in the operation.
- 3) have adequate cash flow and collateral.
- 4) certify to the Authority that, at the time the State Guarantee is provided, the borrower will not be delinquent in the repayment of any debt. [20 ILCS 3605/12.5]

d) Limitations

- 1) SLP loans shall not exceed \$1,000,000 per applicant. An applicant may use this program more than once, provided the aggregated principal of SLP loans to that applicant does not exceed \$1,000,000. [20 ILCS 3605/12.5]
- 2) Each SLP loan shall be no longer than 15 years in duration. [20 ILCS 3605/12.5] The payment schedule for the loan will be tailored to the applicant's collateral and cash flow.
- 3) The SLP loan can be fully or partially paid at any time while the loan is outstanding as long as the loan is held in the lender's portfolio and not sold into a secondary market. SLP Loans may not be assumed.

e) Application Procedures and Review.

- 1) Lenders shall apply for the State Guarantees on forms provided by the Authority and certify that the application and any other documents submitted are true and correct. The application shall, at a minimum, contain the farmer's name, address, present credit and financial information, including cash flow statements, financial statements, balance sheets, and any other information pertinent to the application, and the collateral to be used to secure the State Guarantee. [20 ILCS 3605/12.5] Applications shall be processed by the Authority on a first come, first served basis, based upon the receipt of all completed documents by the Authority.

- 2) Each applicant shall pay a \$300 application fee which will be submitted to the Authority at the time of the application. At the time the loan is closed, the applicant will be required to pay a closing fee of 1% of the SLP Loan amount less the \$300 application fee. Of this 1% closing fee, the Authority shall receive 3/4% and the lender shall receive 1/4% to cover administrative expenses in completing the application packet and closing documents. The 1% closing fee may be included in the State Guarantee Loan amount. The lender shall charge no fees or

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points in addition to those outlined herein. The applicant shall be responsible for paying any fee or charge involved in recording mortgages, releases, financing statements, insurance for secondary market issues, and any other similar fee or charge that the Authority may require. [20 ILCS 3605/12.5]

3) The Lender must agree to charge a fixed or adjustable interest rate that the Authority determines to be below the market rate of interest generally available to the borrower. If both the lender and applicant agree, the interest rate on the State guaranteed loan can be converted to a fixed interest rate at any time during the term of the loan. [20 ILCS 3605/12.5]

4) When a State Guarantee application is submitted to the Authority, the Authority shall review the application to determine whether it is complete and whether it meets the criteria established by the Act and this Section. When the Authority has completed the review of the Guarantee application, the application shall be presented, along with a statement of recommended action, to the Board for review at its next regularly scheduled meeting. The review shall include whether the applicant and lender are in compliance with the requirements of the program. The review shall also include an evaluation of collateral, percentage of loan, debt to asset ratio, cash flow, etc.

5) The Board shall approve the application and provide the Guarantee, pursuant to the Act and this Section; or, deny the application and serve upon the lender and applicant a written statement of the grounds for the denial.

6) If the application is denied, the applicant and the lender may request reconsideration stating reasons why the Board should withdraw its denial of the application and approve the State Guarantee. The request should be accompanied by supporting documents and/or information not previously considered by the Board. The Board shall review the request at its next scheduled meeting, and shall either approve or deny the application. A denial of a request for reconsideration shall be final.

7) Upon approval of an application and receipt of the documentation necessary to prepare loan closing documents, an SLP Loan Closing Documents package, which contains all the appropriate forms and documents to execute, shall be prepared by the Authority and sent to the lender. Upon completion of all such forms and documents by the applicant, lender and Authority and after satisfaction of all loan closing requirements, the SLP Loan guarantee will be considered in force.

f) Provision of Renewal of State Guarantees. The Authority shall provide or renew a State Guarantee to any Lender if:

- 1) the lender pays a fee equal to 2% basis points on the loan to the Authority on an annual basis [20 ILCS 3605/12.5];
- 2) the applicant provides collateral acceptable to the Authority that is at least equal to the State Guarantee [20 ILCS

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- 3605/12.5];
- 3) The Lender must certify that, to the best of the Lender's knowledge, all information is true and correct on the application, balance sheets, security analysis, cash flow projection and any other documents submitted;
 - 4) the Lender assumes all responsibility and costs for pursuing legal action on collecting any loan that is delinquent or in default [20 ILCS 3605/12.5];
 - 5) the Lender is at risk for the first 15% of the outstanding principal of the note for which the State Guarantee is provided [20 ILCS 3605/12.5];
 - 6) the Lender must certify that, to the best of the Lender's knowledge, all information is true and correct on the application, balance sheets, security analysis, cash flow projection and any other documents submitted;
 - 7) the Lender assumes responsibility for the timely collection and disposition of collateral on an SLP Loan that is in default; provided, however, that the Lender shall not collect or dispose of collateral on the SLP loan without the express written prior approval of the Authority. Approval shall be granted if the collateral is disposed of in a commercial manner, which nets an amount closely approximating the value of the collateral;
 - 8) the Lender agrees that the Authority has final approval on the sale of all collateral for the SLP loan. After the sale of collateral, the State shall be reimbursed its 85% guaranteed portion of the principal balance at default. If funds from the sale of collateral remain after this payment, the Lender shall be reimbursed its 15% of the principal balance at default. If excess funds remain after paying the principal to the State and Lender, then the State and Lender shall be repaid interest on a prorated basis; 85% of such excess funds shall be allocated to the State's portion and 15% shall be allocated to the Lender's portion.
 - 9) The SLP Loan shall be reviewed annually by the Lender and IFDA for adequacy of collateral and performance by the applicant. The applicant is required to provide the Lender with a current financial statement annually.
 - 1) If it is determined that there is not sufficient collateral to adequately secure the SLP Loan, additional collateral may be required. If the applicant is unwilling or unable to pledge additional collateral, the SLP Loan may be called due and payable.
 - 2) If an SLP Loan is going to be called for any reason, written notice which specifies the reasons for said action must be served to all parties (IFDA, Lender, and borrower) not less than 90 days prior to call of the loan.
 - 3) Failure of the applicant to make any payment on or before its due date shall render the loan delinquent. Notice of this

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- delinquency shall immediately be sent to all parties. If the loan remains delinquent for a period of 90 days, the total outstanding principal and interest shall become due and payable immediately on the entire SLP Loan. The SLP Loan cannot be reinstated after the 90-day delinquency period.
- h) In the event of default that is not cured within 90 days or in the event a loan is called for any reason, the Authority shall make payment of the guaranteed portion of the SLP Loan to the holder of the guarantee. This payment shall be equal to the sum of:
 - 1) 85% of the principal balance as of the date of default or date of call less any proceeds received from sales of collateral;
 - 2) 85% of the interest balance as of the date of default or call; and
 - 3) 85% of the interest accrued from the date of default or call until the date payment is made, up to a maximum of 120 days.
 - i) The Illinois Farmer and Agribusiness Loan Guarantee Fund shall be used to secure State guarantees on SLP Loans. [20 ILCS 3605/12.5]
 - 1) The Authority shall guarantee up to \$35,000,000 in loans through the SLP, YFG and SCPAI. The Illinois Farmer and Agribusiness Loan Guarantee Fund shall be funded with \$10,000,000 to cover any losses under these programs.
 - 2) The Authority shall direct payments from this fund to guarantee holders as described in subsection (h) above.
 - 3) Monies returned to the State on the disposition of collateral as described in subsection (f) above shall be deposited to this fund.
 - a) General Description of Program:--The Farm Debt Relief Program--(FDRP) is designed--to--assist--eligible--farmers--in--repaying--their--farming related debts.
 - b) Definitions--Applicable to the FDRP--only.

"Applicant"--means--a--person--whose--application--for--participation--in--the FDRP--has--been--submitted--to--the--Authority.

"Assets"--include--cash--crops--or--feed--on--hand,--livestock--held--for--sale,--breeding--stock,--marketable--bonds--and--securities,--securities--not readily--marketable,--accounts--receivable,--notes--receivable,--cash invested--in--growing--crops,--net--cash--value--of--life--insurance,--machinery and--equipment,--cars--and--trucks,--farm--and--other--real--estate--including life--estates--and--personal--residences,--value--of--beneficial--interests--in trusts,--government--payments--or--grants,--and--any--other--assets.

"Debts"--include--existing--accounts--payable,--notes--or--other--indebtedness owed--to--any--source,--taxes,--rent,--amounts--owed--on--other--real--estate contracts--or--real--estate--mortgages,--judgments,--accrued--interest payable,--and--any--other--liability.

"Farm--Emergency--Assistance--Fund"--means--a--special--fund--established--in the--State--Treasury--from--which--grants--under--this--Part--are--made--and--to

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which repayments of such grants are made:

"Farm-Related Debts" means any debts arising from the operation of a farm, ranch or other business which produces agricultural commodities;

"Grant" means any amount of money, whether or not to be repaid, made to any creditor on behalf of an applicant under the PBRP;

e) Eligible Farmers: 90 qualify for participation in the PBRP each farmer must:

- 1) be at least eighteen (18) years of age at the time of application;
- 2) maintain his or her principal residence in the State;
- 3) be the principal operator of a farming operation in the State;
- 4) be actively engaged in farming in this State at the time of application;
- 5) demonstrate that he or she has farming related debts in an amount of at least equal to 5% of his or her total assets at the time of application;
- 6) certify in the application that he or she can secure credit from a lender for the 1986 crop year.

d) Limitations:

- 1) No grant under the PBRP shall exceed 2% of the applicant's outstanding farming related debt or \$50,000 or \$2,000.00 whichever is less.
- 2) Only one grant shall be made for any one person, household or farming operation. If applicants file separate Schedules A's for their Federal Income Tax Returns, then they will be considered to operate separate farming operations.
- 3) Grants under the PBRP can be used only to repay debt existing at the time of application.

e) Application Procedures and Review:

- 1) Applicants shall apply directly to the Authority on forms provided by the Authority. Applicants shall also provide a \$75.00 application fee and financial statements for the current year and the three years prior.
- 2) When an application is submitted to the Authority, the Executive Director shall review the application to determine whether it is complete and whether it meets the criteria established by the Act and this Part.

A) If the Executive Director determines that the application is incomplete in any way or that it fails to meet the criteria established by the Act and this Part, he or she shall, within fourteen (14) days of such determination, inform the applicant of such determination and detail the information or material needed to complete the application. No application shall be deemed complete until the applicant has provided the additional information requested by the Executive Director.

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B) When the Executive Director has completed his or her review of the application, he or she shall present the application with a statement of recommended action to the Board at its next regularly scheduled meeting.

3) The Board shall review each application presented by the Executive Director in accordance with the provisions of the Act and this Part, and the Board shall:

- A) determine that the applicant is eligible for a grant under the PBRP and approve a payment to such applicant according to the provisions of the Act and this Part; or
- B) deny the application and provide the applicant with a written statement of the grounds of denial.

4) If the application is denied, the applicant may file a Request for Reconsideration stating reasons why the Board should withdraw its denial of the application. This Request for Reconsideration should be accompanied by supporting documents and/or information not previously considered by the Board. The Board shall review the Request for Reconsideration at its next scheduled meeting and shall either approve the application or deny the Request for Reconsideration. A denial of a Request for Reconsideration shall be final. While a Request for Reconsideration is pending, the application that is the subject of the Request shall be deemed complete.

5) If the application is approved, the Board shall determine the amount of the grant to which the applicant is entitled.

f) Payment Procedures: Within thirty (30) days from the date on which an application is approved and the amount of the grant is determined, the Board shall make a payment or payments of the entire amount of the grant. Such payment shall be made directly to one or more of the applicant's farming related creditors and shall be applied toward the reduction of the applicant's farming related debt.

g) Choice of Creditors: The applicant may select the creditor or creditors to receive the payment. In the event that the applicant elects to apportion the payment between more than one creditor, he or she shall determine the amount of payment to be made to each such creditor and shall provide the Authority with a written statement of the desired apportionment. In the event that the applicant is subject to the jurisdiction of a bankruptcy court at the time of approval of the application, the bankruptcy court shall select the creditor or creditors to be paid.

h) Repayment of Grants:

1) Qualifying applicants with farming related debts equal to an amount in excess of 70% of their total assets at the time of application shall not be required to repay any payments provided for under this Part. All other qualifying applicants shall repay all payments provided for under this Part.

2) Repayment shall be made directly to the Authority in the form of personal or certified checks made payable to the Farm Emergency

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- Assistance Fund:**
- 3) ~~No interest shall be charged on the principal amount of the grant.~~
- 4) ~~Qualifying applicants not otherwise excused from repayment shall repay the entire principal amount of the payments made on their behalf pursuant to this Part by making five (5) equal annual payments, the aggregate amount of which shall equal the amount of the grant. The first of such payments shall be due one year from the date on which the grant was made and each subsequent payment is due annually on this date.~~
- 5) ~~In the event that any applicant fails to make any annual payment, the Authority shall notify the applicant in writing of such delinquency. If all delinquent payments are not made within thirty (30) days of such notification, the outstanding balance of the grant shall immediately become due and payable in full. Notice that the entire balance is immediately due shall be sent to the defaulting applicant.~~
- 6) ~~Remedies: If the defaulting applicant fails to make full payment of the outstanding balance of the grant within thirty (30) days of the date that notification of the acceleration of payment was sent, the Authority may exercise all its rights under the laws of this State to secure such repayment. The expenses of such collection, including reasonable attorney fees, shall be paid by the defaulting applicant.~~
- 7) ~~Prepayment: The applicant may prepay the grant in full or part at any time without a penalty. Any prepayment may shorten the duration of the annual payments, but shall not excuse the failure to make an annual payment at any time that any part of the grant is outstanding.~~

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Definitions and General Provisions
- 2) Code Citation: 35 Ill. Adm. Code 211
- 3) Section Numbers: Adopted Action:
211.1467 Added
211.1520 Added
211.6420 Added
211.7200 Added
- 4) Statutory Authority: Implementing Section 27 of the Environmental Protection Act [415 ILCS 5/27].
- 5) Effective Date of Rule: February 2, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this Rule contain incorporations by reference? No
- 8) Date filed in Board's Principal Office: January 22, 1998
The Board adopted these amendments as a segment of a larger rulemaking docketed as R97-31 by an opinion and order dated January 22, 1998.
- 9) Notice of Proposal Published in Illinois Register: October 10, 1997, 21 Ill. Reg. 13486
- 10) Has JCAR issued a Statement of Objections to these rules? No
- 11) Differences between proposal and final version: None
- 12) Have all the changes agreed upon by the Board and JCAR been made as indicated in the agreement letter issued by JCAR? JCAR staff reviewed the text of the proposed amendments but did not request that the Board revise that text in any regard.
- 13) Will this Rule replace an emergency Rule currently in effect? No
- 14) Are there any other amendments pending on this Part? No
- 15) Summary and Purpose of Rule:

The State of Illinois has two areas that are out of compliance with ozone air quality standards as defined in the Federal Clean Air Act (CAA) (42 USC Sections 7401 to 7642): the metropolitan Chicago area and the metropolitan East St. Louis (Metro East) area. For each of the non-attainment areas the CAA requires that the State implement regulations for the control of ozone precursors, including VOM, and that the State

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submit the regulations for USEPA approval as part of a State Implementation Plan (SIP). The Board has adopted various regulations in conformity with these requirements. The regulations for the Chicago Area occur at 35 Ill. Adm. Code 218, and those applicable to the Metro East Area occur at 35 Ill. Adm. Code 219. Related general provisions occur at 35 Ill. Adm. Code 201 and 211. A major segment of the Illinois ozone control regulations consists of reasonably available control technology (RACT) provisions. The principal underlying these provisions is that stationary emission sources that have the potential to emit more than threshold amounts of VOM are required to utilize reasonably available control technologies as a method of limiting emissions. Definitions of RACT for various industrial processes and activities are set forth initially in CAA-required and USEPA-produced documents known as CTGs. The various states are required to adopt the RACT regulations specified in the CTGs, with only very limited opportunity for departure.

The amendments involved in the broader rulemaking of which the amendments to Part 211 are a segment, are driven by the May 1996 release by the USEPA of a new CTG governing VOM emissions from wood furniture coating operations. 35 Ill. Adm. Code 211, 218, and 219 are all involved in the broader proceeding that the Board has docketed as R97-31. Although the Board already had regulations in place pertaining to VOM emissions for wood furniture coating operations, the new CTG contains certain new and different provisions that need to be incorporated into the Board's existing regulations and into the Illinois SIP. The principal changes in the R97-31 amendments are as follows:

- 1) Modification of the value and method of measure of the maximum VOM content allowed in top coatings and sealer coatings. (35 Ill. Adm. Code 218.204(1) and 219.204(1). No changes are made to any other categories of wood furniture coatings, including opaque stain, non-topcoat pigmented coat, repair coat, semi-transparent stain, and wash coat.)
- 2) Allowance that if a facility is unable to use a particular compliant coating, compliance may nevertheless be achieved through use of averaging (35 Ill. Adm. Code 218.215 and 219.215) or add-on controls (35 Ill. Adm. Code 218.216 and 219.216).
- 3) Establishment of several work practice standards, including cleaning standards and prohibition of the use of conventional air spray guns. (35 Ill. Adm. Code 218.217 and 219.217.) These practices are designed to reduce the amount of coating, cleaning, and washoff solvent usage, and thereby also reduce the potential for VOM emissions.

In addition to these three amendments, R97-31 also effects a small number of ancillary amendments to the rules. It adds three new definitions necessary to support the remainder of the amendments (Sections 211.1467,

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211.1520, and 211.7200) and a variety of clarifying and conforming amendments. It changes the units of measurement for compliant top coat and sealer coats from the current pounds of VOM per gallon (lb VOM/gallon) to pounds of VOM per pound of solids (lb VOM/lb solids), as required pursuant to the CTG. Among the significant items not amended is the applicability level of the regulations. This will remain at the current value of a potential to emit 25 tons per year of VOM.

- 16) Information and questions regarding this adopted rule shall be directed to:

Michael McGambridge
Illinois Pollution Control Board
100 West Randolph Street
Chicago, IL 60601
312-814-6924
Internet: mmccambr@pcb084rl.state.il.us

The full text of the Adopted Rule begins on the next page:

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TITLE 35: ENVIRONMENTAL PROTECTION

SUBTITLE B: AIR POLLUTION

CHAPTER I: POLLUTION CONTROL BOARD

SUBCHAPTER C: EMISSION STANDARDS AND LIMITATIONS
FOR STATIONARY SOURCES

PART 211

DEFINITIONS AND GENERAL PROVISIONS

SUBPART A: GENERAL PROVISIONS

Incorporations by Reference
Abbreviations and Conversion Factors

SUBPART B: DEFINITIONS

Section
211.101
211.102

Section

Other Definitions
Definitions (Repealed)
Accelacota
Accumulator
Acid Gases
Actual Heat Input
Adhesive
Adhesion Promoter
Aeration
Aerosol Can Filling Line
Afterburner
Air Contaminant
Air Dried Coatings
Air Oxidation Process
Air Pollutant
Air Pollution
Air Pollution Control Equipment
Air Suspension Coater/Dryer
Airless Spray
Air Assisted Airless Spray
Alcohol
Animal
Animal Pathological Waste
Annual Grain Through-Put
Anti-Glare/Safety Coating
Application Area
Architectural Coating
As Applied
As-Applied Fountain Solution
Asphalt

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

211.590 Asphalt Prime Coat
211.610 Automobile
211.630 Automobile or Light-Duty Truck Assembly Source or Automobile or Light-Duty Truck Manufacturing Plant
211.650 Automobile or Light-Duty Truck Refinishing
211.660 Automotive/Transportation Plastic Parts
211.670 Baked Coatings
211.680 Bakery Oven
211.685 Basecoat/Clearcoat System
211.690 Batch Loading
211.695 Batch Operation
211.696 Batch Process Train
211.710 Bead-Dipping
211.730 Binders
211.750 British Thermal Unit
211.770 Brush or Wipe Coating
211.790 Bulk Gasoline Plant
211.810 Bulk Gasoline Terminal
211.820 Business Machine Plastic Parts
211.830 Can
211.850 Can Coating
211.870 Can Coating Line
211.890 Capture
211.910 Capture Device
211.930 Capture Efficiency
211.950 Capture System
211.970 Certified Investigation
211.980 Chemical Manufacturing Process Unit
211.990 Choke Loading
211.1010 Clean Air Act
211.1050 Cleaning and Separating Operation
211.1070 Cleaning Materials
211.1090 Clear Coating
211.1110 Clear Topcoat
211.1130 Closed Purge System
211.1150 Closed Vent System
211.1170 Coal Refuse
211.1190 Coating
211.1210 Coating Applicator
211.1230 Coating Line
211.1250 Coating Plant
211.1270 Coil Coating
211.1290 Coil Coating Line
211.1310 Cold Cleaning
211.1330 Complete Combustion
211.1350 Component
211.1370 Concrete Curing Compounds
211.1390 Concentrated Nitric Acid Manufacturing Process

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

211.1410	Condensate	
211.1430	Condensible PM-10	
211.1465	Continuous Automatic Stoking	
211.1467	Continuous Coater	
211.1470	Continuous Process	
211.1490	Control Device	
211.1510	Control Device Efficiency	
211.1520	Conventional Air Spray	
211.1530	Conventional Soybean Crushing Source	
211.1550	Conveyorized Degreasing	
211.1570	Crude Oil	
211.1590	Crude Oil Gathering	
211.1610	Crushing	
211.1630	Custody Transfer	
211.1650	Cutback Asphalt	
211.1670	Daily-Weighted Average VOM Content	
211.1690	Day	
211.1710	Degreaser	
211.1730	Delivery Vessel	
211.1750	Dip Coating	
211.1770	Distillate Fuel Oil	
211.1780	Distillation Unit	
211.1790	Drum	
211.1810	Dry Cleaning Operation or Dry Cleaning Facility	
211.1830	Dump-Pit Area	
211.1850	Effective Grate Area	
211.1870	Effluent Water Separator	
211.1875	Elastomeric Materials	
211.1880	Electromagnetic Interference/Radio Frequency (EMI/RFI) Shielding Coatings	
211.1885	Electronic Component	
211.1890	Electrostatic Bell or Disc Spray	
211.1900	Electrostatic Prep Coat	
211.1910	Electrostatic Spray	
211.1920	Emergency or Standby Unit	
211.1930	Emission Rate	
211.1950	Emission Unit	
211.1970	Enamel	
211.1990	Enclose	
211.2010	End Sealing Compound Coat	
211.2030	Enhanced Under-the-Cup Fill	
211.2050	Ethanol Blend Gasoline	
211.2070	Excess Air	
211.2090	Excessive Release	
211.2110	Existing Grain-Drying Operation (Repealed)	
211.2130	Existing Grain-Handling Operation (Repealed)	
211.2150	Exterior Base Coat	
211.2170	Exterior End Coat	

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NOTICE OF ADOPTED AMENDMENTS

211.2190	External Floating Roof	
211.2210	Extreme Performance Coating	
211.2230	Fabric Coating	
211.2250	Fabric Coating Line	
211.2270	Federally Enforceable Limitations and Conditions	
211.2285	Feed Mill	
211.2290	Fermentation Time	
211.2300	Fill	
211.2310	Final Repair Coat	
211.2330	Firebox	
211.2350	Fixed-Roof Tank	
211.2360	Flexible Coating	
211.2365	Flexible Operating Unit	
211.2370	Flexographic Printing	
211.2390	Flexographic Printing Line	
211.2410	Floating Roof	
211.2430	Fountain Solution	
211.2450	Freeboard Height	
211.2470	Fuel Combustion Emission Unit or Fuel Combustion Emission Source	
211.2490	Fugitive Particulate Matter	
211.2510	Full Operating Flowrate	
211.2530	Gas Service	
211.2550	Gas/Gas Method	
211.2570	Gasoline	
211.2590	Gasoline Dispensing Operation or Gasoline Dispensing Facility	
211.2610	Gel Coat	
211.2630	Gloss Reducers	
211.2650	Grain	
211.2670	Grain-Drying Operation	
211.2690	Grain-Handling and Conditioning Operation	
211.2710	Grain-Handling Operation	
211.2730	Green-Tire Spraying	
211.2750	Green Tires	
211.2770	Gross Heating Value	
211.2790	Gross Vehicle Weight Rating	
211.2810	Heated Airless Spray	
211.2830	Heatset	
211.2850	Heatset Web Offset Lithographic Printing Line	
211.2870	Heavy Liquid	
211.2890	Heavy Metals	
211.2910	Heavy Off-Highway Vehicle Products	
211.2930	Heavy Off-Highway Vehicle Products Coating Line	
211.2950	Heavy Off-Highway Vehicle Products Coating Line	
211.2970	High Temperature Aluminum Coating	
211.2990	High Volume Low Pressure (HVLP) Spray	
211.3010	Hood	
211.3030	Hot Well	
211.3050	Housekeeping Practices	

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

211.3070	Incinerator
211.3090	Indirect Heat Transfer
211.3110	Ink
211.3130	In-Process Tank
211.3150	In-Situ Sampling Systems
211.3170	Interior Body Spray Coat
211.3190	Internal-Floating Roof
211.3210	Internal Transferring Area
211.3230	Lacquers
211.3250	Large Appliance
211.3270	Large Appliance Coating
211.3290	Large Appliance Coating Line
211.3310	Light Liquid
211.3330	Light-Duty Truck
211.3350	Light Oil
211.3370	Liquid/Gas Method
211.3390	Liquid-Mounted Seal
211.3410	Liquid Service
211.3430	Liquids Dripping
211.3450	Lithographic Printing Line
211.3470	Load-Out Area
211.3480	Loading Event
211.3490	Low Solvent Coating
211.3500	Lubricating Oil
211.3510	Magnet Wire
211.3530	Magnet Wire Coating
211.3550	Magnet Wire Coating Line
211.3570	Major Dump Pit
211.3590	Major Metropolitan Area (MMA)
211.3610	Major Population Area (MPA)
211.3620	Manually Operated Equipment
211.3630	Manufacturing Process
211.3650	Marine Terminal
211.3660	Marine Vessel
211.3670	Material Recovery Section
211.3690	Maximum Theoretical Emissions
211.3695	Maximum True Vapor Pressure
211.3710	Metal Furniture
211.3730	Metal Furniture Coating
211.3750	Metal Furniture Coating Line
211.3770	Metallic Shoe-Type Seal
211.3790	Miscellaneous Fabricated Product Manufacturing Process
211.3810	Miscellaneous Formulation Manufacturing Process
211.3830	Miscellaneous Metal Parts and Products
211.3850	Miscellaneous Metal Parts and Products Coating
211.3870	Miscellaneous Metal Parts or Products Coating Line
211.3890	Miscellaneous Organic Chemical Manufacturing Process
211.3910	Mixing Operation

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NOTICE OF ADOPTED AMENDMENTS

211.3915	Mobile Equipment
211.3930	Monitor
211.3950	Monomer
211.3960	Motor Vehicles
211.3965	Motor Vehicle Refinishing
211.3970	Multiple Package Coating
211.3990	New Grain-Drying Operation (Repealed)
211.4010	New Grain-Handling Operation (Repealed)
211.4030	No Detectable Volatile Organic Material Emissions
211.4050	Non-Contact Process Water Cooling Tower
211.4055	Non-Flexible Coating
211.4065	Non-Heatset
211.4070	Offset
211.4090	One Hundred Percent Acid
211.4110	One-Turn Storage Space
211.4130	Opacity
211.4150	Opaque Stains
211.4170	Open Top Vapor Degreasing
211.4190	Open-Ended Valve
211.4210	Operator of a Gasoline Dispensing Operation or Owner of a Gasoline Dispensing Facility
211.4230	Organic Compound
211.4250	Organic Material and Organic Materials
211.4260	Organic Solvent
211.4270	Organic Vapor
211.4290	Oven
211.4310	Overall Control
211.4330	Overvornish
211.4350	Owner of a Gasoline Dispensing Operation or Owner of a Gasoline Dispensing Facility
211.4370	Owner or Operator
211.4390	Packaging Rotogravure Printing
211.4410	Packaging Rotogravure Printing Line
211.4430	Pail
211.4450	Paint Manufacturing Source or Paint Manufacturing Plant
211.4470	Paper Coating
211.4490	Paper Coating Line
211.4510	Particulate Matter
211.4530	Parts Per Million (Volume) or PPM (Vol)
211.4550	Person
211.4590	Petroleum
211.4610	Petroleum Liquid
211.4630	Petroleum Refinery
211.4650	Pharmaceutical
211.4670	Pharmaceutical Coating Operation
211.4690	Photochemically Reactive Material
211.4710	Pigmented Coatings
211.4730	Plant

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NOTICE OF ADOPTED AMENDMENTS

211.4740	Plastic Part
211.4750	Plasticizers
211.4770	PM-10
211.4790	Pneumatic Rubber Tire Manufacture
211.4810	Polybasic Organic Acid Partial Oxidation Manufacturing Process
211.4830	Polyester Resin Material(s)
211.4850	Polyester Resin Products Manufacturing Process
211.4870	Polystyrene Plant
211.4890	Polystyrene Resin
211.4910	Portable Grain-Handling Equipment
211.4930	Portland Cement Manufacturing Process Emission Source
211.4950	Portland Cement Process or Portland Cement Manufacturing Plant
211.4970	Potential to Emit
211.4990	Power Driven Fastener Coating
211.5010	Precoat
211.5030	Pressure Release
211.5050	Pressure Tank
211.5060	Pressure/Vacuum Relief Valve
211.5061	Pretreatment Wash Primer
211.5065	Primary Product
211.5070	Prime Coat
211.5080	Primer Sealer
211.5090	Primer Surfacer Coat
211.5110	Primer Surfacer Operation
211.5130	Primers
211.5150	Printing
211.5170	Printing Line
211.5185	Process Emission Source
211.5190	Process Emission Unit
211.5210	Process Unit
211.5230	Process Unit Shutdown
211.5245	Process Vent
211.5250	Process Weight Rate
211.5270	Production Equipment Exhaust System
211.5310	Purged Process Fluid
211.5330	Purged Process Fluid
211.5340	Rated Heat Input Capacity
211.5350	Reactor
211.5370	Reasonably Available Control Technology (RACT)
211.5390	Reclamation System
211.5410	Refiner
211.5430	Refinery Fuel Gas
211.5450	Refinery Fuel Gas System
211.5470	Refinery Unit or Refinery Process Unit
211.5480	Reflective Argon Coating
211.5490	Refrigerated Condenser
211.5500	Regulated Air Pollutant
211.5510	Reid Vapor Pressure

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211.5530	Repair
211.5550	Repair Coat
211.5570	Repaired
211.5590	Residual Fuel Oil
211.5600	Resist Coat
211.5610	Restricted Area
211.5630	Retail Outlet
211.5650	Ringelmann Chart
211.5670	Roadway
211.5690	Roll Coater
211.5710	Roll Coating
211.5730	Roll Printer
211.5750	Roll Printing
211.5770	Rotogravure Printing
211.5790	Rotogravure Printing Line
211.5810	Safety Relief Valve
211.5830	Sandblasting
211.5850	Sanding Sealers
211.5870	Screening
211.5890	Sealer
211.5910	Semi-Transparent Stains
211.5930	Sensor
211.5950	Set of Safety Relief Valves
211.5970	Sheet Basecoat
211.5980	Sheet-Fed
211.5990	Shotblasting
211.6010	Side-Seam Spray Coat
211.6025	Single Unit Operation
211.6030	Smoke
211.6050	Smokeless Flare
211.6060	Soft Coat
211.6070	Solvent
211.6090	Solvent Cleaning
211.6110	Solvent Recovery System
211.6130	Source
211.6140	Specialty Coatings
211.6145	Specialty Coatings for Motor Vehicles
211.6150	Specialty High Gloss Catalyzed Coating
211.6170	Specialty Leather
211.6190	Specialty Soybean Crushing Source
211.6210	Splash Loading
211.6230	Stack
211.6250	Stain Coating
211.6270	Standard Conditions
211.6290	Standard Cubic Foot (scf)
211.6310	Start-Up
211.6330	Stationary Emission Source
211.6350	Stationary Emission Unit

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211.6355	Stationary Gas Turbine
211.6360	Stationary Reciprocating Internal Combustion Engine
211.6370	Stationary Source
211.6390	Stationary Storage Tank
211.6400	Stencil Coat
211.6410	Storage Tank or Storage Vessel
211.6420	Stripplable Spray Booth Coating
211.6430	Styrene Devolatilizer Unit
211.6450	Styrene Recovery Unit
211.6470	Submerged Loading Pipe
211.6490	Substrate
211.6510	Sulfuric Acid Mist
211.6530	Surface Condenser
211.6540	Surface Preparation Materials
211.6550	Synthetic Organic Chemical or Polymer Manufacturing Plant
211.6570	Tablet Coating Operation
211.6580	Texture Coat
211.6590	Thirty-Day Rolling Average
211.6610	Three-Piece Can
211.6620	Three or Four Stage Coating System
211.6630	Through-the-Valve Fill
211.6650	Tooling Resin
211.6670	Topcoat
211.6690	Topcoat Operation
211.6700	Topcoat System
211.6710	Touch-Up
211.6720	Touch-Up Coating
211.6730	Transfer Efficiency
211.6750	Tread End Cementing
211.6770	True Vapor Pressure
211.6790	Turnaround
211.6810	Two-Piece Can
211.6830	Under-the-Cup Fill
211.6850	Undertread Cementing
211.6860	Uniform Finish Blender
211.6870	Unregulated Safety Relief Valve
211.6880	Vacuum Metallizing
211.6890	Vacuum Producing System
211.6910	Vacuum Service
211.6930	Valves Not Externally Regulated
211.6950	Vapor Balance System
211.6970	Vapor Collection System
211.6990	Vapor Control System
211.7010	Vapor-Mounted Primary Seal
211.7030	Vapor Recovery System
211.7050	Vapor Suppressed Polyester Resin
211.7070	Vinyl Coating
211.7090	Vinyl Coating Line

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211.7110	Volatile Organic Liquid (VOL)
211.7130	Volatile Organic Material Content (VOMC)
211.7150	Volatile Organic Material (VOM) or Volatile Organic Compound (VOC)
211.7170	Volatile Petroleum Liquid
211.7190	Wash Coat
211.7200	Washoff Operations
211.7210	Wastewater (Oil/Water) Separator
211.7230	Weak Nitric Acid Manufacturing Process
211.7250	Web
211.7270	Wholesale Purchase - Consumer
211.7290	Wood Furniture
211.7310	Wood Furniture Coating
211.7330	Wood Furniture Coating Line
211.7350	Woodworking
211.7400	Yeast Percentage

APPENDIX A Rule into Section Table

APPENDIX B Section into Rule Table

AUTHORITY: Implementing Sections 9, 9.1 and 10 and authorized by Sections 27 and 28.5 of the Environmental Protection Act [415 ILCS 5/9, 9.1, 10, 27 and 28.5].

SOURCE: Adopted as Chapter 2: Air Pollution, Rule 201: Definitions, R71-23, 4 PCB 191, filed and effective April 14, 1972; amended in R74-2 and R75-5, 32 PCB 295, at 3 Ill. Reg. 5, p. 777, effective February 3, 1979; amended in R78-3 and 4, 35 PCB 75 and 243, at 3 Ill. Reg. 30, p. 124, effective July 28, 1979; amended in R80-5, at 7 Ill. Reg. 1244, effective January 21, 1983; codified at 7 Ill. Reg. 13590; amended in R82-1 (Docket A) at 10 Ill. Reg. 12624, effective July 7, 1986; amended in R85-21(A) at 11 Ill. Reg. 11747, effective June 29, 1987; amended in R86-34 at 11 Ill. Reg. 12267, effective July 10, 1987; amended in R86-39 at 11 Ill. Reg. 20804, effective December 14, 1987; amended in R82-14 and R86-37 at 12 Ill. Reg. 787, effective December 24, 1987; amended in R86-18 at 12 Ill. Reg. 7284, effective April 8, 1988; amended in R86-10 at 12 Ill. Reg. 7621, effective April 11, 1988; amended in R88-23 at 13 Ill. Reg. 10862, effective June 27, 1989; amended in R89-8 at 13 Ill. Reg. 17457, effective January 1, 1990; amended in R89-16(A) at 14 Ill. Reg. 9141, effective May 23, 1990; amended in R88-30(B) at 15 Ill. Reg. 5223, effective March 28, 1991; amended in R88-14 at 15 Ill. Reg. 7901, effective May 14, 1991; amended in R91-10 at 15 Ill. Reg. 15564, effective October 11, 1991; amended in R91-6 at 15 Ill. Reg. 15673, effective October 14, 1991; amended in R91-22 at 16 Ill. Reg. 7656, effective May 1, 1992; amended in R91-24 at 16 Ill. Reg. 13526, effective August 24, 1992; amended in R93-9 at 17 Ill. Reg. 16504, effective September 27, 1993; amended in R93-11 at 17 Ill. Reg. 21471, effective December 7, 1993; amended in R93-14 at 18 Ill. Reg. 1253, effective January 18, 1994; amended in R94-12 at 18 Ill. Reg. 14962, effective September 21, 1994; amended in R94-14 at 18 Ill. Reg. 15744, effective October 17, 1994; amended in R94-15 at 18 Ill. Reg. 16379, effective October 25, 1994; amended in

POLLUTION CONTROL BOARD
NOTICE OF ADOPTED AMENDMENTS

Section 211.7200 Washoff Operations

"washoff operations" means those operations in which organic solvent is used to remove coating from a substrate.

(Source: Added at 22 Ill. Reg. _____, effective _____, FEB 02 1998)

POLLUTION CONTROL BOARD
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R94-16 at 18 Ill. Reg. 16929, effective November 15, 1994; amended in R94-21, R94-31 and R94-32 at 19 Ill. Reg. 6823, effective May 9, 1995; amended in R94-33 at 19 Ill. Reg. 7344, effective May 22, 1995; amended in R95-2 at 19 Ill. Reg. 11066, effective July 12, 1995; amended in R95-16 at 19 Ill. Reg. 15176, effective October 19, 1995; amended in R96-5 at 20 Ill. Reg. 7590, effective May 22, 1996; amended in R96-16 at 21 Ill. Reg. 2641, effective February 7, 1997; amended in R97-17 at 21 Ill. Reg. 6489, effective May 16, 1997; amended in R97-24 at 21 Ill. Reg. 7695, effective June 9, 1997; amended in R96-17 at 21 Ill. Reg. 7856, effective June 17, 1997; amended in R97-31 at 22 Ill. Reg. _____, effective FEB 02 1998.

BOARD NOTE: This Part implements the Illinois Environmental Protection Act as of July 1, 1994.

NOTE: In this Part, superscript numbers or letters are denoted by parentheses; subscript are denoted by brackets.

SUBPART B: DEFINITIONS

Section 211.1467 Continuous Coater

"Continuous coater" means a finishing system that continuously applies coating onto wood furniture parts moving along a conveyor system. Coatings that are not transferred to the part are recycled in the finishing system reservoir.

(Source: Added at 22 Ill. Reg. _____, effective _____, FEB 02 1998)

Section 211.1520 Conventional Air Spray

"Conventional air spray" means a spray coating method in which the coating is atomized by mixing it with compressed air at an air pressure greater than 10 pounds per square inch (gauge) at the point of atomization. Airless, air assisted airless and electrostatic spray technologies are not conventional air spray.

(Source: Added at 22 Ill. Reg. _____, effective _____, FEB 02 1998)

Section 211.6420 Strippable Spray Booth Coating

"Strippable spray booth coating" means a coating that is applied to a spray booth wall to provide a protective film to receive overspray during finishing operations and that is subsequently peeled off and disposed of.

(Source: Added at 22 Ill. Reg. _____, effective _____, FEB 02 1998)

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Effluent Standards
- 2) Code Citation: 35 Ill. Adm. Code 304
- 3) Section Numbers: Adopted Action:
304.214 Amended
- 4) Statutory Authority: Implementing Section 27 of the Environmental Protection Act [415 ILCS 5/27]
- 5) Effective date of the amendments: February 3, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Do these amendments contain incorporations by reference? No
- 8) Date filed in Board's principal office: January 22, 1998
The Board adopted these amendments in a rulemaking docketed as R97-28 by an opinion and order dated January 22, 1998.
- 9) Notice of Proposed Amendments published in Illinois Register: October 10, 1997, 21 Ill. Reg. 13500
- 10) Has JCAR issued a Statement of Objections to these amendments? No
- 11) Differences between proposal and final version: None
- 12) Have all the changes agreed upon by the Board and JCAR been made as indicated in the agreement letter issued by JCAR? JCAR staff reviewed the text of the proposed amendments but did not request that the Board revise that text in any regard.
- 13) Will these amendments replace an emergency rule currently in effect? No
- 14) Are there any other amendments pending on this Part? No
- 15) Summary and purpose of the amendments:

Mobil Oil Corp. owns and operates a petroleum refinery located near the Des Plaines River in western Will County, approximately 10 miles southwest of Joliet. Water is used for various processes within the refinery. Waste process water, plus contaminated surface run-off, is processed through an on-site waste water treatment plant and discharged to the Des Plaines River. The ammonia nitrogen concentration of this discharge occasionally exceeds the generally-applicable statewide standards for ammonia nitrogen (monthly average basis).

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On January 7, 1988, under docket number R84-16, the Board granted Mobil a site-specific rule to temporarily supersede the generally-applicable ammonia nitrogen standard. This site-specific rule was codified as 35 Ill. Adm. Code 304.214, and it established ammonia nitrogen discharge limits of 20 mg/L measured as a monthly average and 35 mg/L measured as a daily composite for the Mobil Oil Corp. Joliet facility. Section 304.214 expired by its own terms on December 31, 1993, but it has not been repealed, so it remains within the corpus of the Board's regulations.

Mobil Oil Corp. filed a petition for rulemaking on April 24, 1997, which the Board has docketed as R97-28, requesting that the Board amend expired Section 304.214 to establish permanent ammonia nitrogen effluent limits for the Joliet Refinery be of 9.0 mg/L measured as a monthly average and 23.0 mg/L measured as a daily maximum. By today's action the Board adopts the amendments sought by Mobil Oil Corp.

- 16) Information and questions regarding these adopted amendments shall be directed to:

Michael McCambridge
Illinois Pollution Control Board
100 West Randolph Street
Chicago, IL 60601
312-814-6924
Internet: mmccambr@pcb084rl.state.il.us

The full text of the adopted amendments begins on the next page:

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

TITLE 35: ENVIRONMENTAL PROTECTION

SUBTITLE C: WATER POLLUTION

CHAPTER I: POLLUTION CONTROL BOARD

PART 304

EFFLUENT STANDARDS

SUBPART A: GENERAL EFFLUENT STANDARDS

Section	
304.101	Preamble
304.102	Dilution
304.103	Background Concentrations
304.104	Averaging
304.105	Violation of Water Quality Standards
304.106	Offensive Discharges
304.120	Deoxygenating Wastes
304.121	Bacteria
304.122	Total Ammonia Nitrogen (as N: STORET number 00610)
304.123	Phosphorus (STORET number 00665)
304.124	Additional Contaminants
304.125	pH
304.126	Mercury
304.140	Delays in Upgrading (Repealed)
304.141	NPDES Effluent Standards
304.142	New Source Performance Standards (Repealed)

SUBPART B: SITE SPECIFIC RULES AND

EXCEPTIONS NOT OF GENERAL APPLICABILITY

Section	
304.201	Wastewater Treatment Plant Discharges of the Metropolitan Water Reclamation District of Greater Chicago
304.202	Chlor-alkali Mercury Discharges in St. Clair County
304.203	Copper Discharges by Olin Corporation
304.204	Schoenberger Creek: Groundwater Discharges
304.205	John Deere Foundry Discharges
304.206	Aiton Water Company Treatment Plant Discharges
304.207	Galesburg Sanitary District Deoxygenating Wastes Discharges
304.208	City of Lockport Treatment Plant Discharges
304.209	Wood River Station Total Suspended Solids Discharges
304.210	Aiton Wastewater Treatment Plant Discharges
304.211	Discharges From Borden Chemicals and Plastics Operating Limited Partnership Into an Unnamed Tributary of Long Point Slough
304.212	Sanitary District of Decatur Discharges
304.213	UNO-VEN Refinery Ammonia Discharge
304.214	Mobil Oil Refinery Ammonia Discharge
304.215	City of Tuscola Wastewater Treatment Facility Discharges

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304.216	Newton Station Suspended Solids Discharges
304.218	City of Pana Phosphorus Discharge
304.219	North Shore Sanitary District Phosphorus Discharges
304.220	East St. Louis Treatment Facility, Illinois-American Water Company
304.221	Ringwood Drive Manufacturing Facility in McHenry County
304.222	Intermittent Discharge of TRC

SUBPART C: TEMPORARY EFFLUENT STANDARDS

Section	
304.301	Exception for Ammonia Nitrogen Water Quality Violations (Repealed)
304.302	City of Joliet East Side Wastewater Treatment Plant
304.303	Amerock Corporation, Rockford Facility

APPENDIX A References to Previous Rules

AUTHORITY: Implementing Section 13 and authorized by Section 27 of the Environmental Protection Act [415 ILCS 5/13 and 27].

SOURCE: Filed with the Secretary of State January 1, 1978; amended at 2 Ill. Reg. 30, p. 343, effective July 27, 1978; amended at 2 Ill. Reg. 44, p. 151, effective November 7, 1978; amended at 3 Ill. Reg. 20, p. 95, effective May 17, 1979; amended at 3 Ill. Reg. 25, p. 190, effective June 21, 1979; amended at 4 Ill. Reg. 20, p. 53, effective May 7, 1980; amended at 6 Ill. Reg. 563, effective December 24, 1981; codified at 6 Ill. Reg. 7818; amended at 6 Ill. Reg. 11161, effective September 7, 1982; amended at 6 Ill. Reg. 13750, effective October 26, 1982; amended at 7 Ill. Reg. 3020, effective March 4, 1983; amended at 7 Ill. Reg. 8111, effective June 23, 1983; amended at 7 Ill. Reg. 14515, effective October 14, 1983; amended at 7 Ill. Reg. 14910, effective November 14, 1983; amended at 8 Ill. Reg. 1600, effective January 18, 1984; amended at 8 Ill. Reg. 3687, effective March 14, 1984; amended at 8 Ill. Reg. 8237, effective June 8, 1984; amended at 9 Ill. Reg. 1379, effective January 21, 1985; amended at 9 Ill. Reg. 4510, effective March 22, 1985; peremptory amendment at 10 Ill. Reg. 456, effective December 23, 1985; amended at 11 Ill. Reg. 3117, effective January 28, 1987; amended in R84-13 at 11 Ill. Reg. 7291, effective April 3, 1987; amended in R86-17(A) at 11 Ill. Reg. 14748, effective August 24, 1987; amended in R84-16 at 12 Ill. Reg. 2445, effective January 15, 1988; amended in R83-23 at 12 Ill. Reg. 8658, effective May 10, 1988; amended in R87-27 at 12 Ill. Reg. 9905, effective May 27, 1988; amended in R82-7 at 12 Ill. Reg. 10712, effective June 9, 1988; amended in R85-29 at 12 Ill. Reg. 12064, effective July 12, 1988; amended in R87-22 at 12 Ill. Reg. 13966, effective August 23, 1988; amended in R86-3 at 12 Ill. Reg. 20126, effective November 16, 1988; amended in R84-20 at 13 Ill. Reg. 851, effective January 9, 1989; amended in R85-11 at 13 Ill. Reg. 2060, effective February 6, 1989; amended in R88-1 at 13 Ill. Reg. 5976, effective April 18, 1989; amended in R86-17(B) at 13 Ill. Reg. 7754, effective May 4, 1989; amended in R88-22 at 13 Ill. Reg. 8880, effective May 26, 1989; amended in R87-6 at 14 Ill. Reg. 6777, effective April 24, 1990; amended in R87-36 at 14 Ill. Reg. 9437, effective May

POLLUTION CONTROL BOARD

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31, 1990; amended in R88-21(B) at 14 Ill. Reg. 12538, effective July 18, 1990; amended in R84-44 at 14 Ill. Reg. 20719, effective December 11, 1990; amended in R86-14 at 15 Ill. Reg. 241, effective December 18, 1990; amended in R93-8 at 18 Ill. Reg. 267, effective December 23, 1993; amended in R87-33 at 18 Ill. Reg. 11574, effective July 7, 1994; amended in R95-14 at 20 Ill. Reg. 3528, effective February 8, 1996; amended in R94-1(B) at 21 Ill. Reg. 364, effective December 23, 1996; expedited correction in R94-1(B) at 21 Ill. Reg. 6269, effective December 23, 1996; amended at 22 Ill. Reg. 1331, effective December 24, 1997; amended in R97-28 at 22 Ill. Reg. _____, effective _____.

FEB 03 1998

SUBPART B: SITE SPECIFIC RULES AND
EXCEPTIONS NOT OF GENERAL APPLICABILITY

Section 304.214 Mobil Oil Refinery Ammonia Discharge

- a) This Section applies to discharges from Mobil Oil Corporation's Refinery, located near Joliet, into the Des Plaines River.
- b) The requirements of Section 304.122(b) do ~~shall~~ not apply to Mobil's discharge. Instead Mobil's discharge may ~~shall~~ not exceed the following limitations:

CONSTITUENT	CONCENTRATION (mg/l)
Ammonia Nitrogen	
Monthly Average	9.0 20
Daily Maximum Composite	23.0 35
c) Section 304.104(a) does shall not apply to this Section. Monthly average and daily composites are as defined in Section 304.104(b).	
d) Mobil shall monitor the nitrogen concentration of its oil feedstocks and report on an annual basis such concentrations to the Agency. The report shall be filed with the Agency by January 31 of each year.	
e) The provisions of this Section shall terminate on December 31, 2007 1993.	

(Source: Amended at 22 Ill. Reg. _____, effective _____)

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- 1) Heading of the Part: Organic Material Emission Standards and Limitations for the Metro East Area
- 2) Code Citation: 35 Ill. Adm. Code 219
- 3) Section Numbers: Adopted Action:
 219.182 Amended
 219.204 Amended
 219.205 Amended
 219.210 Amended
 219.211 Amended
 219.215 Added
 219.216 Added
 219.217 Added
- 4) Statutory Authority: Implementing Section 27 of the Environmental Protection Act (415 ILCS 5/27)
- 5) Effective Date of Rule: February 2, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this Rule contain incorporations by reference? No
- 8) Date filed in Board's Principal Office: January 12, 1998
 The Board adopted these amendments as a segment of a larger rulemaking docketed as R97-31 by an opinion and order dated January 22, 1998.
- 9) Notice of Proposal Published in Illinois Register: October 10, 1997, 21 Ill. Reg. 13542
- 10) Has JCAR issued a Statement of Objections to these rules? No
- 11) Differences between proposal and final version:
 Provision Revision
 219.211(e)(2) Changed "coating line subject" to "subject coating line"
- 12) Have all the changes agreed upon by the Board and JCAR been made as indicated in the agreement letter issued by JCAR? JCAR staff reviewed the text of the proposed amendments and requested revisions as a result of their review. The revisions made are indicated in the answer to item (11) above.
- 13) Will this Rule replace an emergency Rule currently in effect? No

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14) Are there any other amendments pending on this Part? No

15) Summary and Purpose of Rule:

The State of Illinois has two areas that are out of compliance with ozone air quality standards as defined in the Federal Clean Air Act (CAA)(42 USC Sections 7401 to 7642): the metropolitan Chicago area and the metropolitan East St. Louis (Metro East) area. For each of the non-attainment areas the CAA requires that the State implement regulations for the control of ozone precursors, including VOM, and that the State submit the regulations for USEPA approval as part of a State Implementation Plan (SIP). The Board has adopted various regulations in conformity with these requirements. The regulations for the Chicago Area occur at 35 Ill. Adm. Code 218, and those applicable to the Metro East Area occur at 35 Ill. Adm. Code 219. Related general provisions occur at 35 Ill. Adm. Code 201 and 211. A major segment of the Illinois ozone control regulations consists of reasonably available control technology (RACT) provisions. The principal underlying these provisions is that stationary emission sources that have the potential to emit more than threshold amounts of VOM are required to utilize reasonably available control technologies as a method of limiting emissions. Definitions of RACT for various industrial processes and activities are set forth initially in CAA-required and USEPA-produced documents known as CTGs. The various states are required to adopt the RACT regulations specified in the CTGs, with only very limited opportunity for departure.

The amendments involved in the broader rulemaking of which the amendments to Part 219 is a segment, are driven by the May 1996 release by the US EPA of a new CTG governing VOM emissions from wood furniture coating operations. 35 Ill. Adm. Code 211, 218, and 219 are all involved in the broader proceeding that the Board has docketed as R37-31. Although the Board already had regulations in place pertaining to VOM emissions for wood furniture coating operations, the new CTG contains certain new and different provisions that need to be incorporated into the Board's existing regulations and into the Illinois SIP. The principal changes in the R37-31 amendments are as follows:

1) Modification of the value and method of measure of the maximum VOM content allowed in top coatings and sealer coatings. (35 Ill. Adm. Code 218.204(1) and 219.204(1)). No changes are made to any other categories of wood furniture coatings, including opaque stain, non-topcoat pigmented coat, repair coat, semi-transparent stain, and wash coat.)

2) Allowance that if a facility is unable to use a particular compliant coating, compliance may nevertheless be achieved through use of averaging (35 Ill. Adm. Code 218.215 and 219.215) or add-on controls (35 Ill. Adm. Code 218.216 and 219.216).

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3) Establishment of several work practice standards, including cleaning standards and prohibition of the use of conventional air spray guns. (35 Ill. Adm. Code 218.217 and 219.217.) These practices are designed to reduce the amount of coating, cleaning, and washoff solvent usage, and thereby also reduce the potential for VOM emissions.

In addition to these three amendments, R97-31 also effects a small number of ancillary amendments to the rules. It adds three new definitions necessary to support the remainder of the amendments (35 Ill. Adm. Code 211.1467, 211.1520, and 211.7200) and a variety of clarifying and conforming amendments. It changes the units of measurement for compliant top coat and sealer coats from the current pounds of VOM per gallon (lb VOM/gallon) to pounds of VOM per pound of solids (lb VOM/lb solids), as required pursuant to the CTG. Among the significant items not amended is the applicability level of the regulations. This will remain at the current value of a potential to emit 25 tons per year of VOM.

16) Information and questions regarding this adopted rule shall be directed to:

Michael McCambridge
Illinois Pollution Control Board
100 West Randolph Street
Chicago, IL 60601
312-814-6974
Internet: mmccambr@pct084rl.state.il.us

The full text of the Adopted Rule begins on the next page:

POLLUTION CONTROL BOARD

NOTICE OF ADOPTED AMENDMENTS

TITLE 35: ENVIRONMENTAL PROTECTION

SUBTITLE B: AIR POLLUTION

CHAPTER I: POLLUTION CONTROL BOARD

SUBCHAPTER C: EMISSIONS STANDARDS AND LIMITATIONS
FOR STATIONARY SOURCES

PART 219

ORGANIC MATERIAL EMISSION STANDARDS AND LIMITATIONS
FOR THE METRO EAST AREA

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219.121	Storage Containers of VPL
219.122	Loading Operations
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219.205	Daily-Weighted Average Limitations
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219.214	Changing Compliance Methods
219.215	Wood Furniture Coating Averaging Approach
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- 219.877 Emissions Limitation at Polystyrene Plants (Renumbered)
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- APPENDIX A List of Chemicals Defining Synthetic Organic Chemical and Polymer Manufacturing
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AUTHORITY: Implementing Section 10 and authorized by Section 28.5 of the Environmental Protection Act [415 ILCS 5/10 and 28.5].

SOURCE: Adopted in R91-8 at 15 Ill. Reg. 12491, effective August 16, 1991; amended in R91-24 at 16 Ill. Reg. 13597, effective August 24, 1992; amended in R91-30 at 16 Ill. Reg. 13883, effective August 24, 1992; emergency amendment in R93-12 at 17 Ill. Reg. 8295, effective May 24, 1993, for a maximum of 150 days; amended in R93-9 at 17 Ill. Reg. 16918, effective September 27, 1993 and October 21, 1993; amended in R93-28 at 18 Ill. Reg. 4242, effective March 3, 1994; amended in R94-12 at 18 Ill. Reg. 14987, effective September 21, 1994; amended in R94-15 at 18 Ill. Reg. 16415, effective October 25, 1994; amended in R94-16 at 18 Ill. Reg. 16980, effective November 15, 1994; emergency amendment in R95-10 at 19 Ill. Reg. 3059, effective February 28, 1995, for a maximum of 150 days; amended in R94-21, R94-31 and R94-32 at 19 Ill. Reg. 6958, effective May 9, 1995; amended in R94-33 at 19 Ill. Reg. 7385, effective May 22, 1995; amended in R96-2 at 20 Ill. Reg. 3848, effective February 15, 1996; amended in R96-13 at 20 Ill. Reg. 14462, effective October 28, 1996; amended in R97-24 at 21 Ill. Reg. 7721, effective June 9, 1997; amended in R97-31 at 22 Ill. Reg. _____, effective _____.

BOARD NOTE: This Part implements the Illinois Environmental Protection Act as of July 1, 1994.

NOTE: In this Part, superscript numbers or letters are denoted by parentheses, subscript are denoted by brackets, and SUM means the summation series or sigma function as used in mathematics.

SUBPART E: SOLVENT CLEANING

Section 219.182 Cold Cleaning

- a) Operating Procedures: No person shall operate a cold cleaning degreaser unless:
 1) Waste solvent is stored in covered containers only and not disposed of in such a manner that more than 20% of the waste solvent (by weight) is allowed to evaporate into the atmosphere;

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- 2) The cover of the degreaser is closed when parts are not being handled; and
- 3) Parts are drained until dripping ceases.
- b) Equipment Requirements: No person shall operate a cold cleaning degreaser unless:
- 1) The degreaser is equipped with a cover which is closed whenever parts are not being handled in the cleaner. The cover shall be designed to be easily operated with one hand or with the mechanical assistance of springs, counter-weights or a powered system if:
 - A) The solvent vapor pressure is greater than 2 kPa (15 mmHg or 0.3 psi) measured at 38° C (100° F);
 - B) The solvent is agitated; or
 - C) The solvent is heated above ambient room temperature.
 - 2) The degreaser is equipped with a device for draining cleaned parts. The drainage device shall be constructed so that parts are enclosed under the cover while draining unless:
 - A) The solvent vapor pressure is less than 4.3 kPa (32 mmHg or 0.6 psi) measured at 38° C (100° F); or
 - B) An internal drainage device cannot be fitted into the cleaning system, in which case the drainage device may be external.
 - 3) The degreaser is equipped with one of the following control devices if the vapor pressure of the solvent is greater than 4.3 kPa (32 mmHg or 0.6 psi) measured at 38° C (100° F) or if the solvent is heated above 50° C (120° F) or its boiling point:
 - A) A freeboard height of 7/10 of the inside width of the tank or 91 cm (36 in), whichever is less; or
 - B) Any other equipment or system of equivalent emission control as approved by the Agency and further processed consistent with Section 219.108 of this Part. Such a system may include a water cover, refrigerated chiller or carbon absorber.
 - 4) A permanent conspicuous label summarizing the operating procedure is affixed to the degreaser; and
 - 5) If a solvent spray is used, the degreaser is equipped with a solid fluid stream spray, rather than a fine, atomized or shower spray.
- c) Material Requirements:
- 1) On and after March 15, 1999, no person shall:
 - A) Cause or allow the sale of solvent with a vapor pressure which exceeds 2.0 mmHg (0.038 psi) measured at 20° C (68° F) in units greater than five (5) gallons, for use in cold cleaning degreasing operations located in the area covered by Section 219.103 219-103 of this Part.
 - B) Operate a cold cleaning degreaser with a solvent vapor pressure which exceeds 2.0 mmHg (0.038 psi) measured at 20° C (68° F).

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- 2) On and after March 15, 2001, no person shall:
- A) Cause or allow the sale of solvent with a vapor pressure which exceeds 1.0 mmHg (0.019 psi) measured at 20° C (68° F) in units greater than five (5) gallons, for use in cold cleaning degreasing operations located in the area covered by Section 219.103 219-103 of this Part.
 - B) Operate a cold cleaning degreaser with a solvent vapor pressure which exceeds 1.0 mmHg (0.019 psi) measured at 20° C (68° F).
- d) Recordkeeping Requirements: On and after March 15, 1999:
- 1) All persons subject to the requirements of subsections (c)(1)(A) and (c)(2)(A) of this Section must maintain records which include for each sale:
 - A) The name and address of the solvent purchaser;
 - B) The date of sale;
 - C) The type of solvent;
 - D) The unit volume of solvent;
 - E) The total volume of solvent; and
 - F) The vapor pressure of the solvent measured in mmHg at 20° C (68° F).
 - 2) All persons subject to the requirements of subsections (c)(1)(B) and (c)(2)(B) of this Section must maintain records which include for each purchase:
 - A) The name and address of the solvent supplier;
 - B) The date of purchase;
 - C) The type of solvent; and
 - D) The vapor pressure of the solvent measured in mmHg at 20° C (68° F).
 - e) All records required by subsection (d) of this Section shall be retained for three years and shall be made available to the Agency upon request.
 - f) The cleaning of electronic components as defined in 35 Ill. Adm. Code Section 211.1885 is exempt from the requirements of subsection (c) of this Section.
 - g) Any cold cleaning taking place in a Detrex cold batch degreaser Model #2D-CC-SPL Size 24-4-10, or substantial equivalent, including automated loading of parts, totally enclosed operation (excluding loading or unloading) and permitted by the Agency, is exempt from the requirements of subsection (c) of this Section.
- (Source: Amended at 22 Ill. Reg. _____, effective FEB 02 1998)
- SUBPART F: COATING OPERATIONS
- Section 219.204 Emission Limitations
- Except as provided in Sections 219.205, 219.207, 219.208, and 219.212, 219.215

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and 219.216 of this Subpart, no owner or operator of a coating line shall apply at any time any coating in which the VOM content exceeds the following emission limitations for the specified coating. Except as provided in Section 219.204(1), compliance ~~with~~ compliance with the emission limitations marked with an asterisk ~~in this Section~~ in this Section is required on and after March 15, 1996, and compliance ~~with~~ compliance with emission limitations not marked with an asterisk is required until March 15, 1996. The following emission limitations are expressed in units of VOM per volume of coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied at each coating applicator, except where noted. Compounds which are specifically exempted from the definition of VOM should be treated as water for the purpose of calculating the "less water" part of the coating composition. Compliance with this Subpart must be demonstrated through the applicable coating analysis test methods and procedures specified in Section 219.105(a) of this Part and the recordkeeping and reporting requirements specified in Section 219.211(c) of this Subpart except where noted. (Note: The equation presented in Section 219.206 of this Part shall be used to calculate emission limitations for determining compliance by add-on controls, credits for transfer efficiency, emissions trades and cross-line averaging.) The emission limitations are as follows:

a) Automobile or Light-Duty Truck Coating	kg/l	lb/gal
1) Prime coat	0.14 0.14*	(1.2) (1.2)*
2) Primer surface coat	1.81 1.81*	(15.1) (15.1)*

(Note: The primer surfacer coat limitation is in units of kg (lbs) of VOM per 1 (gal) of coating solids deposited. Compliance with the limitation shall be based on the daily-weighted average from an entire primer surface operation. Compliance shall be demonstrated in accordance with the topcoat protocol referenced in Section 219.105(b) and the recordkeeping and reporting requirements specified in Section 219.211(f). Testing to demonstrate compliance shall be performed in accordance with the topcoat protocol and a detailed testing proposal approved by the Agency and USEPA specifying the method of demonstrating compliance with the protocol. Section 219.205 does not apply to the primer surface limitation.)

3) Topcoat	kg/l	lb/gal
	1.81 1.81*	(15.1) (15.1)*

(Note: The topcoat limitation is in units of kg (lbs) of VOM per 1 (gal) of coating solids deposited. Compliance with the limitation shall be based on the daily-weighted average from an

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entire topcoat operation. Compliance shall be demonstrated in accordance with the topcoat protocol referenced in Section 219.105(b) of this Part and the recordkeeping and reporting requirements specified in Section 219.211(f). Testing to demonstrate compliance shall be performed in accordance with the topcoat protocol and a detailed testing proposal approved by the Agency and USEPA specifying the method of demonstrating compliance with the protocol. Section 219.205 of this Part does not apply to the topcoat limitation.)

4) Final repair coat	kg/l	lb/gal
	0.58 0.58*	(4.8) (4.8)*
b) Can Coating	kg/l	lb/gal
1) Sheet basecoat and overvarnish	0.34	(2.8)
A) Sheet basecoat	0.26*	(2.2)*
B) Overvarnish	0.34	(2.8)
2) Exterior basecoat and overvarnish	0.34	(2.8)*
3) Interior body spray coat	0.34	(2.8)
A) Two piece	0.25*	(2.1)*
B) Three piece	0.51	(4.2)
4) Exterior end coat	0.44*	(3.7)*
5) Side seam spray coat	0.51	(4.2)
6) End sealing compound coat	0.51*	(4.2)*
	0.66	(5.5)
	0.66*	(5.5)*
	0.44	(3.7)
	0.44*	(3.7)*
c) Paper Coating	kg/l	lb/gal
	0.35	(2.9)
	0.28*	(2.3)*

(Note: The paper coating limitation shall not apply to any owner or operator of any paper coating line on which printing is performed if the paper coating line complies with the emissions limitations in Subpart H: Printing and Publishing, Section 219.401 of this Part.)

d) Coil Coating	kg/l	lb/gal
	0.31	(2.6)
e) Fabric Coating	0.20*	(1.7)*
	0.35	(2.9)

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f)	Vinyl Coating	0.28* (2.3)*
		0.45 (3.8)
		0.28* (2.3)*
g)	Metal Furniture Coating	
1)	Air dried	0.36 (3.0)
2)	Baked	0.34* (2.8)*
		0.36 (3.0)
		0.28* (2.3)*
h)	Large Appliance Coating	
1)	Air dried	0.34 (2.8)
		0.34* (2.8)*
2)	Baked	0.34 (2.8)
		0.28* (2.3)*

(Note: The limitation shall not apply to the use of quick-drying lacquers for repair of scratches and nicks that occur during assembly, provided that the volume of coating does not exceed 0.95 l (1 quart) in any one rolling eight-hour period.)

i)	Magnet Wire Coating	kg/l	lb/gal
		0.20	(1.7)
		0.20*	(1.7)*
j)	Miscellaneous Metal Parts and Products Coating		
1)	Clear coating	0.52 (4.3)	
		0.52* (4.3)*	
2)	Extreme performance coating		
A)	Air Dried	0.42 (3.5)	
		0.42* (3.5)*	
B)	Baked	0.42 (3.5)	
		0.40* (3.3)*	
3)	Steel pail and drum interior coating	0.52 (4.3)	
		0.52* (4.3)*	
4)	All other coatings		
A)	Air Dried	0.42 (3.5)	
		0.40* (3.3)*	
B)	Baked	0.36 (3.0)	
		0.34* (2.8)*	
5)	Metallic coating		
A)	Air Dried	0.42 (3.5)	
		0.42* (3.5)*	
B)	Baked	0.36 (3.0)	
		0.36 (3.0)*	

6) For purposes of subsection 219.204(j)(5) of this Section, "metallic coating" means a coating which contains more than 1/4 lb/gal of metal particles, as applied.

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k)	Heavy Off-Highway Vehicle Products Coating	kg/l	lb/gal
1)	Extreme performance	0.42	(3.5)
	Prime coat	0.42*	(3.5)*
2)	Extreme performance top-coat (air dried)	0.42	(3.5)
		0.42*	(3.5)*
3)	Final repair coat (air dried)	0.42	(3.5)
		0.42*	(3.5)*
4)	All other coatings are subject to the emission limitations for miscellaneous metal parts and products coatings in subsection (j) above.		

1) Wood Furniture Coating

1) Limitations before March 15, 1998:

A)	Clear topcoat	kg/l	lb/gal
		0.67	(5.6)
B)	Opaque stain	0.56	(4.7)
C)	Pigmented coat	0.60	(5.0)
D)	Repair coat	0.67	(5.6)
E)	Sealer	0.67	(5.6)
F)	Semi-transparent stain	0.79	(6.6)
G)	Wash coat	0.73	(6.1)
1)-Clear-topcoat		kg/l	lb/gal
		0.67	(5.6)
2)-Opaque-stain		0.56	(4.7)
		0.56*	(4.7)*
3)-Pigmented-coat		0.60	(5.0)
		0.67	(5.6)
4)-Repair-coat		0.67	(5.6)
		0.67	(5.6)
5)-Sealer		0.67	(5.6)
		0.67*	(5.6)*
6)-Semi-transparent-stain		0.79	(6.6)
		0.79*	(6.6)*
7)-Wash-coat		0.73	(6.1)
		0.73*	(6.1)*

(Note: Prior to March 15, 1998, an owner or operator of a wood furniture coating operation subject to this Section shall apply all coatings, with the exception of no more than 37.8 l (10 gal) of coating per day used for touch-up and repair operations, using one or more of the following application systems: airless spray application system, air-assisted airless spray application system, electrostatic spray application system, electrostatic bell or disc spray application

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system, heated airless spray application system, roller coating, brush or wipe coating application system, dip coating application system or high volume low pressure (HVLP) application system.)

- 2) On and after March 15, 1998, wood furniture sealers and topcoats must comply with one of the limitations specified in subsections (1)(2)(A) through (E), below:

	kg VOM/kg Solids	lb VOM/lb Solids
A) Topcoat	0.8	(0.8)

- B) Sealers and topcoats with the following limits:

i) Non-acid-cured alkyd amino vinyl sealer 1.9 (1.9)

ii) Non-acid-cured alkyd amino conversion varnish 1.8 (1.8)

iii) Acid-cured alkyd amino vinyl sealer 2.0 (2.0)

iv) Acid-cured alkyd amino conversion varnish 2.0 (2.0)

- C) Meet the provisions of Section 219.215 of this Subpart for use of an averaging approach;

D) Achieve a reduction in emissions equivalent to the requirements of Section 219.204(1)(2)(A) or (B) of this Subpart, as calculated using Section 219.216 of this Subpart; or

E) Use a combination of the methods specified in Section 219.204(1)(2)(A) through (D) of this Subpart.

- 3) Other wood furniture coating limitations on and after March 15, 1998:

	kg/l	lb/gal
A) Opaque stain	0.56	(4.7)
B) Non-topcoat pigmented coat	0.60	(5.0)
C) Repair coat	0.60	(5.0)
D) Semi-transparent stain	0.79	(6.6)
E) Wash coat	0.73	(6.1)

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- 4) Other wood furniture coating requirements on and after March 15, 1998:

A) No source subject to the limitations of subsection (1)(2) or (3) of this Section and utilizing one or more wood furniture coating spray booths shall use strippable spray booth coatings containing more than 0.8 kg VOM/kg solids (0.8 lb VOM/lb solids), as applied.

B) Any source subject to the limitations of subsection (1)(2) or (3) of this Section shall comply with the requirements of Section 219.217 of this Subpart.

C) Any source subject to the limitations of subsection (1)(2)(A) or (B) of this Section and utilizing one or more continuous coaters, shall for each continuous coater, use an initial coating which complies with the limitations of subsection (1)(2)(A) or (B) of this Section. The viscosity of the coating in each reservoir shall always be greater than or equal to the viscosity of the initial coating in the reservoir. The owner or operator shall:

i) Monitor the viscosity of the coating in the reservoir with a viscosity meter or by testing the viscosity of the initial coating and retesting the coating in the reservoir each time solvent is added;

ii) Collect and record the reservoir viscosity and the amount and weight of VOM per weight of solids of coating and solvent each time coating or solvent is added; and

iii) Maintain these records at the source for a period of three years.

m) Plastic Parts Coating: Automotive Transportation

kg/l lb/gal

- 1) Interiors

A) Baked

i) Color coat

ii) Primer

B) Air Dried

i) Color coat

ii) Primer

2) Exteriors (flexible and non-flexible)

A) Baked

i) Primer

ii) Primer non-flexible

iii) Clear coat

iv) Color coat

0.60* (5.0)*
0.54* (4.5)*
0.52* (4.3)*
0.55* (4.6)*

0.49* (4.1)*
0.46* (3.8)*
0.38* (3.2)*
0.42* (3.5)*

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B) Air Dried	
i) Primer	0.66* (5.5)*
ii) Clear coat	0.54* (4.5)*
iii) Color coat (red & black)	0.67* (5.6)*
iv) Color coat (others)	0.61* (5.1)*

3) Specialty

A) Vacuum metallizing basecoats, texture basecoats	0.66* (5.5)*
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B) Black coatings, reflective argent coatings, air bag cover coatings, and soft coatings	0.71* (5.9)*
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C) Gloss reducers, vacuum metallizing topcoats, and texture topcoats	0.77* (6.4)*
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D) Stencil coatings, adhesion primers, ink pad coatings, electrostatic prep coatings, and resist coatings	0.82* (6.8)*
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E) Head lamp lens coatings	0.89* (7.4)*
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n) Plastic Parts Coating: Business Machine

1) Primer	kg/l	1b/gal
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2) Color coat (non- texture coat)	0.14* (1.2)*	0.28* (2.3)*
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3) Color coat (texture coat)	0.28* (2.3)*	
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4) Electromagnetic interference/radio frequency interference	0.48* (4.0)*	
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5) Specialty Coatings

(EMI/RFI) shielding coatings		
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A) Soft coat	0.52* (4.3)*	
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B) Plating resist	0.71* (5.9)*	
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C) Plating sensitizer	0.85* (7.1)*	
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(Source: Amended at 22 Ill. Reg. effective

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Section 219.205 Daily-Weighted Average Limitations

No owner or operator of a coating line subject to the limitations of Section 219.204 of this Subpart and complying by means of this Section shall operate the subject coating line unless the owner or operator has demonstrated compliance with subsection (a), (b), (c), (d), (e), (f), (g), or (h) of this Section (depending upon the category of coating) through the applicable coating analysis test methods and procedures specified in Section 219.105(a) of this Part and the recordkeeping and reporting requirements specified in Section 219.211(d) of this Subpart:

a) No owner or operator of a coating line subject to only one of the limitations from among Section 219.204(a)(1), (a)(4), (c), (d), (e), (f), or (i) of this Subpart shall apply coatings on any such coating line, during any day, whose daily-weighted average VOM content exceeds the emission limitation to which the coatings are subject.

b) No owner or operator of a miscellaneous metal parts and products coating line subject to the limitations of Section 219.204(j) of this Subpart shall apply coatings to miscellaneous metal parts or products on the subject coating line unless the requirements in subsection (b)(1) or (b)(2) of this Section are met.

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 219.204(j) of this Subpart during the same day (e.g., all coatings used on the line are subject to 0.42 kg/l (3.5 lbs/gal)), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 219.204(j) of this Subpart, during the same day, the owner or operator shall have a site-specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy), 51 Fed. Reg. 43814 (December 4, 1986), must be satisfied.

c) No owner or operator of a can coating line subject to the limitations of Section 219.204(b) of this Subpart shall operate the subject coating line using a coating with a VOM content in excess of the limitations specified in Section 219.204(b) of this Subpart unless all of the following requirements are met:

1) An alternative daily emission limitation for the can coating operation, i.e. for all of the can coating lines at the source, shall be determined according to subsection (c)(2) of this Section. Actual daily emissions shall never exceed the alternative daily emission limitation and shall be calculated by use of the following equation.

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$$E(d) = \sum_{i=1}^n V(i)C(i)$$

where:

$E(d)$ = Actual VOM emissions for the day in units of kg/day (lbs/day);

i = Subscript denoting a specific coating applied;

n = Total number of coatings applied in the can coating operation, i.e. all can coating lines at the source;

$V(i)$ = Volume of each coating applied for the day in units of l/day (gal/day) of coating (minus water and any compounds which are specifically exempted from the definition of VOM);

$C(i)$ = The VOM content of each coating as applied in units of kg VOM/l (lbs VOM/gal) of coating (minus water and any compounds which are specifically exempted from the definition of VOM).

2) The alternative daily emission limitation $A(d)$ shall be determined for the can coating operation, i.e. for all of the can coating lines at the source, on a daily basis as follows:

$$A(d) = \sum_{i=1}^n V(i) L(i) \frac{D(i) - C(i)}{D(i) - L(i)}$$

where:

$A(d)$ = The VOM emissions allowed for the day in units of kg/day (lbs/day);

i = Subscript denoting a specific coating applied;

n = Total number of surface coatings applied in the can coating operation;

$C(i)$ = The VOM content of each surface coating as applied in units of kg VOM/l (lbs VOM/gal) of coating (minus water and any compounds which are specifically exempted from the definition of VOM);

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$D(i)$ = The density of VOM in each coating applied. For the purposes of calculating $A(d)$, the density is 0.882 kg VOM/l VOM (7.36 lbs VOM/gal VOM);

$V(i)$ = Volume of each surface coating applied for the day in units of l (gal) of coating (minus water and any compounds which are specifically exempted from the definition of VOM);

$L(i)$ = The VOM emission limitation for each surface coating applied as specified in Section 219.204(b) of this Subpart in units of kg VOM/l (lbs VOM/gal) of coating (minus water and any compounds which are specifically exempted from the definition of VOM).

d) No owner or operator of a heavy off-highway vehicle products coating line subject to the limitations of Section 219.204(k) of this Subpart shall apply coatings to heavy off-highway vehicle products on the subject coating line unless the requirements of subsection (d)(1) or (d)(2) of this Section are met.

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 219.204(k) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.42 kg/l (3.5 lbs/gal)), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 219.204(k) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) 51 Fed. Reg. 43814 (December 4, 1986), must be satisfied.

e) No owner or operator of a wood furniture coating line subject to the limitations of Section 219.204(l)(1) or (l)(3) of this Subpart shall apply coatings to wood furniture on the subject coating line unless the requirements of subsection (e)(1) or (e)(2) of this Section, in addition to the requirements specified in the note to Section 219.204(l)(1) of this Subpart, are met.

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 219.204(l)(1) or (l)(3) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.67 kg/l (5.6 lbs/gal)), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or

2) For each coating line which applies coatings subject to more than

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one numerical emission limitation in Section 219.204(l)(1) or (l)(3) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) 51 Fed. Reg. 43814 (December 4, 1986), must be satisfied.

f) No owner or operator of a plastic parts coating line subject to the limitations of Section 219.204(m) or (n) of this Subpart shall apply coatings to business machine or automotive/transportation plastic parts on the subject coating line unless the requirements of subsection (f)(1) or (f)(2) of this Section are met.

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 219.204(m) or (n) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.42 kg/l (f3.5 lbs/gal)), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 219.204(m) or (n) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) must be satisfied.

g) No owner or operator of a metal furniture coating line subject to the limitations of Section 219.204(g) of this Subpart shall apply coatings on the subject coating line unless the requirements of subsection (g)(1) or (g)(2) of this Section are met.

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 219.204(g) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.34 kg/l (f2.8 lbs/gal)), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 219.204(g) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) must be satisfied.

h) No owner or operator of a large appliance coating line subject to the limitations of Section 219.204(h) of this Subpart shall apply coatings on the subject coating line unless the requirements of subsection (h)(1) or (h)(2) of this Section are met.

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1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 219.204(h) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.34 kg/l (f2.8 lbs/gal)), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 219.204(h) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) must be satisfied.

(Source: Amended at 22 Ill. Reg. _____, effective FEB 02 1998)

Section 219.210 Compliance Schedule

Every owner or operator of a coating line (of a type included within Section 219.204 of this Subpart) shall comply with the requirements of Section 219.204, 219.205, 219.207 or 219.208 and Section 219.211 or Sections 219.212 and 219.213 of this Subpart in accordance with the appropriate compliance schedule as specified in subsection (a), (b), (c), (d), (e) or (f) below:

a) No owner or operator of a coating line which is exempt from the limitations of Section 219.204 of this Subpart because of the criteria in Section 219.208(a) or (b) of this Subpart shall operate said coating line on or after a date consistent with Section 219.106 of this Part, unless the owner or operator has complied with, and continues to comply with, Sections 219.204 and 219.211(c) of this Subpart.

b) No owner or operator of a coating line complying by means of Section 219.204 of this Subpart shall operate said coating line on or after a date consistent with Section 219.106 of this Part, unless the owner or operator has complied with, and continues to comply with, Sections 219.204 and 219.211(c) of this Subpart.

c) No owner or operator of a coating line complying by means of Section 219.205 of this Subpart shall operate said coating line on or after a date consistent with Section 219.106 of this Part, unless the owner or operator has complied with, and continues to comply with, Sections 219.205 and 219.211(d) of this Subpart.

d) No owner or operator of a coating line complying by means of Section 219.207 of this Subpart shall operate said coating line on or after a date consistent with Section 219.106 of this Part, unless the owner or operator has complied with, and continues to comply with, Sections 219.207 and 219.211(e) of this Subpart.

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- e) No owner or operator of a coating line subject to one or more of the emission limitations contained in Section 219.204 of this Subpart on or after March 15, 1996, choosing to comply by means of Section 219.204, 219.205 or 219.207 of this Subpart, shall operate said coating line on or after March 15, 1996, unless the owner or operator complies with and continues to comply with, respectively, the applicable requirements in Section 219.204, or the alternative control options in Sections 219.205 or 219.207 and the requirements of Section 219.211.
- f) No owner or operator of a coating line subject to one or more of the emission limitations contained in Section 219.204 of this Subpart on or after March 15, 1996, choosing to comply by means of Section 219.212 of this Subpart, shall operate said coating line on or after March 15, 1996, unless the owner or operator complies with and continues to comply with the requirements of Sections 219.212 and 219.213 of this Subpart.

(Source: Amended at 22 Ill. Reg. _____, effective
FEB 02 1998)

Section 219.211 Recordkeeping and Reporting

- a) The VOM content of each coating and the efficiency of each capture system and control device shall be determined by the applicable test methods and procedures specified in Section 219.105 of this Part to establish the records required under this Section.

- b) Any owner or operator of a coating line which is exempted from the limitations of Section 219.204 of this Subpart Part because of Section 219.208(a) or (b) of this Subpart Part shall comply with the following:

- 1) For sources exempt from Section 219.208(a) of this Subpart, by By a date consistent with Section 219.106 of this Part, the owner or operator of a coating line or group of coating lines referenced in subsection (b) of this Section shall certify to the Agency that the coating line or group of coating lines is exempt under the provisions of Section 219.208(a) of this Subpart Part. Such certification shall include:

- A) A declaration that the coating line is exempt from the limitations of Section 219.204 of this Subpart Part because of Section 219.208(a) of this Subpart Part; and
- B) Calculations which demonstrate that the combined VOM emissions from the coating line and all other coating lines in the same category never exceed 6.8 kg (15 lbs) per day before the application of capture systems and control devices. The following equation shall be used to calculate total VOM emissions:

$$m = n$$

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T(e) = SUM SUM (A(i) B(i))(j)
j=1 i=1

where:

T(e) = Total VOM emissions from coating lines each day before the application of capture systems and control devices in units of kg/day (lbs/day);

m = Number of coating lines at the

source that otherwise would be subject to the same subsection of Section 219.104 of this Part (because they belong to the same category, e.g., can coating);

j = Subscript denoting an individual coating line; n = Number of different coatings as applied each day on each coating line;

i = Subscript denoting an individual coating;

A(i) = Weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line in units of kg VOM/l (lbs VOM/gal);

B(i) = Volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line in units of l/day (gal/day).

The instrument or method by which the owner or operator accurately measured or calculated the volume of each coating as applied on each coating line each day shall be described in the certification to the Agency.

- 2) For sources exempt under Section 219.208(b) of this Subpart, by March 15, 1998, or upon initial start-up, the owner or operator of a coating line or a group of coating lines referenced in subsection (b) of this Section shall certify to the Agency that the source is exempt under the provisions of Section 219.208(b) of this Subpart. Such certification shall include:

- A) A declaration that the source is exempt from the limitations of Section 219.204(l) of this Subpart because of Section 219.208(b) of this Subpart; and

- B) Calculations which demonstrate that the source meets the criteria of exemption because of Section 219.208(b) of this Subpart.

- 3) 2) For sources exempt under Section 219.208(a) of this Subpart, on on and after a date consistent with Section 219.106 of this Part, the owner or operator of a coating line or group of lines referenced in this subsection shall collect and record all of the

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following information each day for each coating line and maintain the information at the source for a period of three years:

- A) The name and identification number of each coating as applied on each coating line; and
- B) The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.

4) For sources exempt under Section 219.208(b) of this Subpart, on and after March 15, 1998, the owner or operator of a coating line or group of coating lines referenced in this subsection (b) shall collect and record all of the following information for each coating line and maintain the information at the source for a period of three years:

- A) The name and identification number of each coating as applied on each coating line; and
- B) The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied on each coating line on a monthly basis.

5) On and after a date consistent with Section 219.106 of this Part, the owner or operator of a coating line or group of coating lines exempted from the limitations of Section 219.204 of this Subpart **Part** because of Section 219.208(a) of this Subpart **Part** shall notify the Agency of any record showing that total VOM emissions from the coating line or group of coating lines exceed 6.8 kg (15 lbs) in any day before the application of capture systems and control devices by sending a copy of such record to the Agency within 30 days after the exceedance occurs.

6) On and after March 15, 1998, any owner or operator of a source exempt from the limitations of Section 219.204(l) of this Subpart because of Section 219.208(b) of this Subpart shall notify the Agency if the source's VOM emissions exceed the limitations of Section 219.208(b) of this Subpart by sending a copy of calculations showing such an exceedance within 30 days after the change occurs.

c) Any owner or operator of a coating line subject to the limitations of Section 219.204 of this Subpart **Part** other than Section 219.204(a)(2) and (a)(3) of this Subpart and complying by means of Section 219.204 of this Subpart **Part** shall comply with the following:

- 1) By a date consistent with Section 219.106 of this Part, or upon initial start-up of a new coating line, or upon changing the method of compliance from an existing subject coating line from Section 219.205, or Section 219.207, Section 219.215, or Section 219.216 of this Subpart to Section 219.204 of this Subpart **Part**; the owner or operator of a subject coating line shall certify to the Agency that the coating line will be in compliance with Section 219.204 of this Subpart **Part** on and after a date

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consistent with Section 219.106 of this Part, or on and after the initial start-up date. Such certification shall include:

- A) The name and identification number of each coating as applied on each coating line; and
- B) The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line; and

C) On and after March 15, 1998, for coating lines subject to the limitations of Section 219.204(l)(2)(A) or (B) of this Subpart, the weight of VOM per weight of solids in each coating as applied each day on each coating line.

2) On and after a date consistent with Section 219.106 of this Part, or on and after the initial start-up date, the owner or operator of a subject coating line shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:

- A) The name and identification number of each coating as applied on each coating line; and
- B) The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line; and

C) On and after March 15, 1998, for coating lines subject to the limitations of Section 219.204(l)(2)(A) or (B) of this Subpart, the weight of VOM per weight of solids in each coating as applied each day on each coating line and certified product data sheets for each coating; and

D) On and after March 15, 1998, for wood furniture coating spray booths subject to the limitation of Section 219.204(l)(4)(A) of this Subpart, the weight of VOM per weight of solids in each strippable spray booth coating as applied each day on each spray booth and certified product data sheets for each coating.

3) On and after a date consistent with Section 219.106 of this Part, the owner or operator of a subject coating line shall notify the Agency in the following instances:

- A) Any record showing violation of Section 219.204 of this Subpart **Part** shall be reported by sending a copy of such record to the Agency within 30 days following the occurrence of the violation.

B) At least 30 calendar days before changing the method of compliance from Section 219.204 to Section 219.205 or Section 219.207 of this Subpart **Part**, the owner or operator shall comply with all requirements of subsection (d)(1) or (e)(1) below, respectively. Upon changing the method of compliance from Section 219.204 to Section 219.205 or Section 219.207 of this Subpart **Part**, the owner or operator

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shall comply with all requirements of subsection (d) or (e) of this Section, respectively.

d) Any owner or operator of a coating line subject to the limitations of Section 219.204 of this Subpart Part and complying by means of Section 219.205 of this Subpart Part shall comply with the following:

1) By a date consistent with Section 219.106 of this Part, or upon initial start-up of a new coating line, or upon changing the method of compliance for an existing subject coating line from Section 219.204 or Section 219.207 to Section 219.205 of this Subpart Part; the owner or operator of the subject coating line shall certify to the Agency that the coating line will be in compliance with Section 219.205 on and after a date consistent with 219.106 of this Part, or on and after the initial start-up date. Such certification shall include:

A) The name and identification number of each coating line which will comply by means of Section 219.205 of this Subpart Part.

B) The name and identification number of each coating as applied on each coating line.

C) The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.

D) On and after March 15, 1998, for coating lines subject to the limitations of Section 219.204(1)(2)(A) or (B) of this Subpart, the weight of VOM per weight of solids in each coating as applied each day on each coating line.

E) Part The instrument or method by which the owner or operator will accurately measure or calculate the volume of each coating as applied each day on each coating line.

F) Part The method by which the owner or operator will create and maintain records each day as required in subsection (d)(2) of this Section.

G) Part An example of the format in which the records required in subsection (d)(2) of this Section will be kept.

2) On and after a date consistent with Section 219.106 of this Part, or on and after the initial start-up date, the owner or operator of a subject coating line shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:

A) The name and identification number of each coating as applied on each coating line.

B) The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.

C) On and after March 15, 1998, for coating lines subject to the limitations of Section 219.204(1)(2)(A) or (B) of this

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Subpart, the weight of VOM per weight of solids in each coating as applied each day on each coating line.

D) Part The daily-weighted average VOM content of all coatings as applied on each coating line as defined in Section 219.104 of this Part.

3) On and after a date consistent with Section 219.106 of this Part, the owner or operator of a subject coating line shall notify the Agency in the following instances:

A) Any record showing violation of Section 219.205 of this Subpart Part shall be reported by sending a copy of such record to the Agency within 30 days following the occurrence of the violation.

B) At least 30 calendar days before changing the method of compliance with this Subpart subpart from Section 219.205 to Section 219.204 or Section 219.207 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (c)(1) or (e)(1) of this Section, respectively. Upon changing the method of compliance with this Subpart subpart from Section 219.205 to Section 219.204 or Section 219.207 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (c) or (e) of this Section, respectively.

e) Any owner or operator of a coating line subject to the limitations of Section 219.207 and complying by means of Section 219.207(c), (d), (e), (f), (g) or (h) of this Subpart Part shall comply with the following:

1) By a date consistent with Section 219.106 of this Part, or upon initial start-up of a new coating line, or upon changing the method of compliance for an existing coating line from Section 219.204 or Section 219.205 to Section 219.207 of this Subpart Part, the owner or operator of the subject coating line shall perform all tests and submit to the Agency the results of all tests and calculations necessary to demonstrate that the subject coating line will be in compliance with Section 219.207 of this Subpart Part on and after a date consistent with Section 219.106 of this Part, or on and after the initial start-up date.

2) On and after a date consistent with Section 219.106 of this Part, or on and after the initial start-up date, the owner or operator of a subject coating line subject shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:

A) The weight of VOM per volume of coating solids as applied each day on each coating line, if complying pursuant to Section 219.207(b)(2) of this Subpart Part.

B) Control device monitoring data.

C) A log of operating time for the capture system, control device, monitoring equipment and the associated coating

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line.

D) A maintenance log for the capture system, control device and monitoring equipment detailing all routine and non-routine maintenance performed including dates and duration of any outages.

3) On and after a date consistent with Section 219.106 of this Part, the owner or operator of a subject coating line shall notify the Agency in the following instances:

A) Any record showing violation of Section 219.207 of this Subpart Part shall be reported by sending a copy of such record to the Agency within 30 days following the occurrence of the violation.

B) At least 30 calendar days before changing the method of compliance with this Subpart from Section 219.207 to Section 219.204 or Section 219.205 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (c) or (d) of this Section, respectively. Upon changing the method of compliance with this Subpart Part from Section 219.207 to Section 219.204 or Section 219.205 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (c) or (d) of this Section, respectively.

f) Any owner or operator of a primer surfacer operation or topcoat operation subject to the limitations of Section 219.204(a)(2) or (a)(3) of this Subpart Part shall comply with the following:

1) By a date consistent with Section 219.106 of this Part, or upon initial start-up of a new coating operation, the owner or operator of a subject coating operation shall certify to the Agency that the operation will be in compliance with Section 219.204 of this Subpart Part on and after a date consistent with Section 219.106 of this Part, or on and after the initial start-up date. Such certification shall include:

A) The name and identification number of each coating operation which will comply by means of Section 219.204(a)(2) and (a)(3) of this Subpart Part and the name and identification number of each coating line in each coating operation.

B) The name and identification number of each coating as applied on each coating line in the coating operation.

C) The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.

D) The transfer efficiency and control efficiency measured for each coating line.

E) Test reports, including raw data and calculations documenting the testing performed to measure transfer efficiency and control efficiency.

F) The instrument or method by which the owner or operator will accurately measure or calculate the volume of each coating

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as applied each day on each coating line.

G) The method by which the owner or operator will create and maintain records each day as required in subsection (f)(2) below.

H) An example format for presenting the records required in subsection (f)(2) below.

2) On and after a date consistent with Section 219.106 of this Part, or on and after the initial start-up date, the owner or operator of a subject coating operation shall collect and record all of the following information each day for each topcoat or primer surfacer coating operation and maintain the information at the source for a period of three years:

A) All information necessary to calculate the daily-weighted average VOM emissions from the coating operations in kg (lbs) per 1 (gal) of coating solids deposited in accordance with the proposal submitted, and approved pursuant to Section 219.204(a)(2) or (a)(3) of this Subpart Part including:

i) The name and identification number of each coating as applied on each coating operation.

ii) The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating operation.

B) If a control device(s) is used to control VOM emissions, control device monitoring data; a log of operating time for the capture system, control device, monitoring equipment and the associated coating operation; and a maintenance log for the capture system, control device and monitoring equipment, detailing all routine and non-routine maintenance performed including dates and duration of any outages.

3) On and after a date consistent with Section 219.106 of this Part or on and after the initial start-up date, the owner or operator of a subject coating operation shall determine and record the daily VOM emissions in kg(lbs) per 1 (gal) of coating solids deposited in accordance with the proposal submitted and approved pursuant to Section 219.204(a)(2) or (a)(3) of this Subpart Part within 10 days from the end of the month and maintain this information at the source for a period of three years.

4) On and after a date consistent with Section 219.106 of this Part, the owner or operator of a subject coating operation shall notify the Agency in the following instances:

A) Any record showing a violation of Section 219.204(a)(2) or (a)(3) of this Subpart Part shall be reported by sending a copy of such record to the Agency within 15 days from the end of the month in which the violation occurred.

B) The owner or operator shall notify the Agency of any change to the operation at least 30 days before the change is

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effected. The Agency shall determine whether or not compliance testing is required. If the Agency determines that compliance testing is required, then the owner or operator shall submit a testing proposal to the Agency within 30 days and test within 30 days of the approval of the proposal by the Agency and USEPA.

(Source: Amended at 22 Ill. Reg. 605.00, effective FEB 02 1998)

Section 219.215 Wood Furniture Coating Averaging Approach

a) On and after March 15, 1998, any owner or operator of a source subject to the limitations of Section 219.204(1) of this Subpart may elect to comply with the requirements of this Section rather than complying with the applicable emission limitations set forth in Section 219.204(1)(2)(A) or (B) of this Subpart. The source must continue to comply with the limitations set forth in Sections 219.204(1)(3) and (4) of this Subpart. A source electing to rely on this Section to demonstrate compliance with the requirements of this Subpart shall operate pursuant to federally enforceable permit conditions approved by the Agency and USEPA.

b) An owner or operator of a source subject to the limitations of Section 219.204(1) of this Subpart and electing to rely on this Section to demonstrate compliance with this Subpart must establish, by use of subsection (b)(1) or (b)(2) of this Section, that, on a daily basis, actual emissions from the affected source are less than or equal to ninety percent of the allowable emissions, that is $V[a] \leq V[p]$:

1) Option I:

$$A) \quad V[a] = \frac{\sum_{i=1}^n (ER[TC(i)] \times TC(i))}{n}; \text{ and}$$

$$B) \quad V[p] = 0.9 \times \frac{\sum_{i=1}^n (0.8 \times TC(i))}{n}$$

2) Option II:

$$A) \quad V[a] = \frac{\sum_{i=1}^n [(ER[TC(i)] \times TC(i)] + (ER[SE(i)] \times SE(i)) + (ER[WC(i)] \times WC(i)) + (ER[PC(i)] \times PC(i)) + (ER[ST(i)] \times ST(i))]}{n}; \text{ and}$$

$$B) \quad V[p] = 0.9 \times \frac{\sum_{i=1}^n [(1.8 \times TC(i)) + (1.9 \times SE(i)) + (9.0$$

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$$i=1 \times WC(i)] + (1.2 \times PC(i)) + (0.791 \times ST(i))$$

where:

$V[a]$ = Actual VOM emissions from the source;
 $V[p]$ = 90% of the allowable VOM emissions from the source;
 n = Number of different wood furniture coatings as applied each day on each coating line;
 i = Subscript denoting an individual coating;
 $TC(i)$ = kilograms of solids in topcoat "i" used;
 $SE(i)$ = kilograms of solids in sealer "i" used;
 $WC(i)$ = kilograms of solids in wash coat "i" used;
 $PC(i)$ = kilograms of solids in non-topcoat pigmented coat "i" used;
 $ST(i)$ = liters of stain "i" used;
 $ER[TC(i)]$ = VOM content of topcoat "i" in kg VOM/kg solids, as applied;
 $ER[SE(i)]$ = VOM content of sealer "i" in kg VOM/kg solids, as applied;
 $ER[WC(i)]$ = VOM content of washcoat "i" in kg VOM/kg solids, as applied;
 $ER[PC(i)]$ = VOM content of non-topcoat pigmented coat "i" in kg VOM/kg solids, as applied;
 $ER[ST(i)]$ = VOM content of stain "i" in kg VOM/liter (kg/l), as applied;

c) Within the structure of the source's federally enforceable permit conditions, an owner or operator of a source electing to rely on this Section to demonstrate compliance with this Subpart shall provide to the Agency:

- 1) The name and identification number of each participating coating line;
- 2) The name and identification number of each coating as applied on each participating coating line;
- 3) A summary of how averaging will be used to meet the emission limitations;
- 4) Documentation that $V[a] \leq V[p]$, as calculated in subsection (b)(1) or (2) of this Section;
- 5) A description of which types of coating materials will be included in the source's averaging program, which may include stains, basecoats, washcoats, sealers, and topcoats. Coating materials that are applied using continuous coaters may be used in an averaging program only if the source can determine the amount of coating used each day;
- 6) A description of methods and procedures for quantifying emissions on a daily basis, including methods to determine the VOM content of each coating and the daily usage of each coating; and

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- 7) A summary of the monitoring, recordkeeping, and reporting procedures that will be used to demonstrate daily compliance with the inequalities in subsections (b)(1) and (2) of this Section. These procedures shall be structured such that the Agency and the owner or operator of the source can determine the source's compliance status for any given day.
- d) On and after March 15, 1998, or on and after the initial start-up date, the owner or operator of a source electing to rely on this Section to comply with the requirements of this Subpart shall, for each coating line relying on this Section, collect and record the following information on a daily basis and maintain the information at the source for a period of three years:

- 1) The name and identification number of each coating as applied on the coating line;
- 2) The weight of VOM per weight of solids (kg VOM/kg solids) and the weight of solids (kg) of each coating as applied on each coating line on a daily basis;
- 3) Certified product data sheets for each finishing material; and
- 4) The calculations showing the source has met the conditions of the inequalities in subsection (b)(1) or (2) of this Section.

- e) On and after March 15, 1998, or on and after the initial start-up date, the owner or operator of a source electing to rely on this Section to comply with the requirements of this Subpart shall:

- 1) Notify the Agency within 30 calendar days following an occurrence of a violation of this Section; and
- 2) Send to the Agency any record showing a violation of this Section within 30 calendar days following the occurrence of a violation.

- f) At least 30 calendar days before changing the method of compliance with this Subpart from reliance on this Section to reliance on Section 219.204(l)(2)(A) or (B) of this Subpart, the owner or operator of a source relying on this Section to demonstrate compliance with this Subpart for one or more wood furniture coating lines shall:

- 1) Comply with all requirements of Section 219.211(c)(1) of this Subpart; and
- 2) Certify that all remaining coating lines relying on this Section to comply with the requirements of this Subpart, if any, comply and continue to comply with the requirements of this Section.

(Source: Added at 22 Ill. Reg. 610.20, effective FEB 02 1998)

Section 219.216 Wood Furniture Coating Add-On Control Use

The owner or operator of a source subject to the requirements of Section 219.204(l)(2) of this Subpart may choose to comply with those limitations by relying on Section 219.204(l)(2)(D) of this Subpart if the owner or operator of the source meets all of the following requirements:

- a) For each coating applied, determine the overall control efficiency

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needed to demonstrate compliance using the following equation:

$$R = [(C - L)/C] \times 100$$

where:

R = the necessary overall capture and control efficiency of the control system, as a percentage;

C = the VOM content of the coating, in kilograms of VOM per kilograms of coating solids (kg VOM/kg solids), as applied;

L = the emission limitation for that coating, as given in Section 219.204(l)(2)(B) of this Subpart.

- b) Calculate the equivalent overall capture and control efficiency of the control device using the procedures of subsections 219.105(c), (d), and (e) of this Part.

- c) Demonstrate that the equivalent overall capture and control efficiency calculated using the procedures in subsections 219.105(c), (d), and (e) of this Part is equal to or greater than the largest value of R calculated for each coating by the equation in subsection (a) of this Section.

- d) Install, calibrate, operate, and maintain the applicable monitoring equipment for the control device as specified in Section 219.105(d) of this Part.

- e) On and after March 15, 1998, or on and after the initial start-up date, the owner or operator of a source electing to rely on this Section to comply with the requirements of this Subpart shall, for each coating line relying on this Section, collect and record the following information on a daily basis and maintain the information at the source for a period of three years:

- 1) The name and identification number of each coating as applied on the coating line;
- 2) The weight of VOM per weight of solids (kg VOM/kg solids) of each coating as applied on each coating line on a daily basis;
- 3) Certified product data sheets for each coating;
- 4) Control device monitoring data;
- 5) A log of operating time for the capture system, control device, monitoring equipment and the associated coating line; and
- 6) A maintenance log for the capture system, control device and monitoring equipment detailing all routine and non-routine maintenance performed including dates and duration of any outages.

- f) On and after March 15, 1998, or on and after the initial start-up date, the owner or operator of a source electing to rely on this Section to comply with the requirements of this Subpart shall:

- 1) Notify the Agency within 30 calendar days following an occurrence

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of a violation of this Section; and

- 2) Send to the Agency any record showing a violation of this Section within 30 calendar days following the occurrence of a violation.

- g) At least 30 calendar days before changing the method of compliance with this Subpart from reliance on this Section to reliance on Section 219.204(1)(2)(A) or (B) of this Subpart, the owner or operator of a source relying on this Section to demonstrate compliance with this Subpart for one or more wood furniture coating lines shall:

- 1) Comply with all requirements of Section 219.211(c)(1) of this Subpart; and

- 2) Certify that all remaining coating lines relying on this Section to comply with the requirements of this Subpart, if any, comply and continue to comply with the requirements of this Section.

(Source: Added at 22 Ill. Reg. _____, effective 5-5-94)

Section 219.217 Wood Furniture Coating Work Practice Standards

- a) Spray booth cleaning. Each owner or operator of a source subject to the limitations of Section 219.204(1) of this Subpart shall not use compounds containing more than 8.0 percent, by weight, of VOM for cleaning spray booth components other than conveyors, continuous coaters and their enclosures, and metal filters, unless the spray booth is being refurbished. If the spray booth is being refurbished, that is, the spray booth coating or other material used to cover the booth is being replaced, the affected source shall use no more than 1.0 gallon of organic solvent to prepare the booth prior to applying the booth coating.

- b) Cleaning and storage requirements. Each owner or operator of a source subject to the limitations of Section 219.204(1) of this Subpart shall:

- 1) Keep, store, and dispose of all coating, cleaning, and washoff materials in closed containers;

- 2) Pump or drain all organic solvent used for line cleaning into closed containers;

- 3) Collect all organic solvent used to clean spray guns in closed containers; and

- 4) Control emissions from washoff operations by using closed tanks. Application equipment requirements. No owner or operator of a source subject to the limitations of Section 219.204(1) of this Subpart shall use conventional air spray guns to apply coating materials to wood furniture except under the circumstances specified in subsections (c)(1) through (4) of this Section:

- 1) To apply coating materials that have a VOM content no greater than 1.0 kg VOM/kg solids (1.0 lb VOM/lb solids), as applied;

- 2) For repair coating under the following circumstances:

- A) The coating materials are applied after the completion of

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of the coating operation; or

- B) The coating materials are applied after the stain and before any other type of coating material is applied, and the coating materials are applied from a container that has a volume of no more than 2.0 gallons;

- 3) If the spray gun is aimed and triggered automatically, rather than manually; or

- 4) If emissions from the finishing application station are directed to a control device pursuant to Section 219.216 of this Subpart.

(Source: Added at 22 Ill. Reg. _____, effective FEB 02 1993)

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- 1) Heading of the Part: Organic Material Emission Standards and Limitations for the Chicago Area

- 2) Code Citation: 35 Ill. Adm. Code 218

- 3) Section Numbers: Adopted Action:

218.204 Amended
218.205 Amended
218.210 Amended
218.211 Amended
218.215 Added
218.216 Added
218.217 Added

- 4) Statutory Authority: Implementing Section 27 of the Environmental Protection Act [415 ILCS 5/27].

- 5) Effective Date of Rule: February 2, 1998

- 6) Does this rulemaking contain an automatic repeal date? No

- 7) Does this Rule contain incorporations by reference? No

- 8) Date filed in Board's Principal Office: January 22, 1998

The Board adopted these amendments as a segment of a larger rulemaking docketed as R97-31 by an opinion and order dated January 22, 1998.

- 9) Notice of Proposal Published in Illinois Register: October 10, 1997, 21 Ill. Reg. 13505

- 10) Has JCAR issued a Statement of Objections to these rules? No

- 11) Differences between proposal and final version:

Provision	Revision
218.216(a) cross-reference	Changed "Sections" to singular "Section" in
218.216(c) cross-reference	Changed "Sections" to singular "Section" in

- 12) Have all the changes agreed upon by the Board and JCAR been made as indicated in the agreement letter issued by JCAR? JCAR staff reviewed the text of the proposed amendments and requested revisions as a result of their review. The revisions made are indicated in the answer to item (11) above.

- 13) Will this Rule replace an emergency Rule currently in effect? No

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- 14) Are there any other amendments pending on this Part?

Yes. The Board proposed amendments under docket R98-16 that would grant a site-specific rule for a W.R. Grace facility in Chicago.

Section Numbers	Proposed Action	Illinois Register Citation
218.940	Amended	22 Ill. Reg. 1091, Jan. 9, 1998

- 15) Summary and Purpose of Rule: The State of Illinois has two areas that are out of compliance with ozone air quality standards as defined in the Federal Clean Air Act (CAA)(42 USC Sections 7401 to 7642): the metropolitan Chicago area and the metropolitan East St. Louis (Metro East) area. For each of the non-attainment areas the CAA requires that the State implement regulations for the control of ozone precursors, including VOM, and that the State submit the regulations for USEPA approval as part of a State Implementation Plan (SIP). The Board has adopted various regulations in conformity with these requirements. The regulations for the Chicago Area occur at 35 Ill. Adm. Code 218, and those applicable to the Metro East Area occur at 35 Ill. Adm. Code 219. Related general provisions occur at 35 Ill. Adm. Code 201 and 211. A major segment of the Illinois ozone control regulations consists of reasonably available control technology (RACT) provisions. The principal underlying these provisions is that stationary emission sources that have the potential to emit more than threshold amounts of VOM are required to utilize reasonably available control technologies as a method of limiting emissions. Definitions of RACT for various industrial processes and activities are set forth initially in CAA-required and USEPA-produced documents known as CTGs. The various states are required to adopt the RACT regulations specified in the CTGs, with only very limited opportunity for departure.

The amendments involved in the broader rulemaking of which the amendments to Part 218 is a segment, are driven by the May 1996 release by the USEPA of a new CTG governing VOM emissions from wood furniture coating operations. 35 Ill. Adm. Code 211, 218, and 219 are all involved in the broader proceeding that the Board has docketed as R97-31. Although the Board already had regulations in place pertaining to VOM emissions for wood furniture coating operations, the new CTG contains certain new and different provisions that need to be incorporated into the Board's existing regulations and into the Illinois SIP. The principal changes in the R97-31 amendments are as follows:

- 1) Modification of the value and method of measure of the maximum VOM content allowed in top coatings and sealer coatings. (35 Ill. Adm. Code 218.204(1) and 219.204(1). No changes are made to any other categories of wood furniture coatings, including opaque stain, non-topcoat pigmented coat, repair coat, semi-transparent stain, and wash coat.)

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2) Allowance that if a facility is unable to use a particular compliant coating, compliance may nevertheless be achieved through use of averaging (35 Ill. Adm. Code 218.215 and 219.215) or add-on controls (35 Ill. Adm. Code 218.216 and 219.216).

3) Establishment of several work practice standards, including cleaning standards and prohibition of the use of conventional air spray guns. (35 Ill. Adm. Code 218.217 and 219.217.) These practices are designed to reduce the amount of coating, cleaning, and washoff solvent usage, and thereby also reduce the potential for VOM emissions.

In addition to these three amendments, R97-31 also effects a small number of ancillary amendments to the rules. It adds three new definitions necessary to support the remainder of the amendments (35 Ill. Adm. Code 211.1467, 211.1520, and 211.7200) and a variety of clarifying and conforming amendments. It changes the units of measurement for compliant top coat and sealer coats from the current pounds of VOM per gallon (lb VOM/gallon) to pounds of VOM per pound of solids (lb VOM/lb solids), as required pursuant to the CTG. Among the significant items not amended is the applicability level of the regulations. This will remain at the current value of a potential to emit 25 tons per year of VOM.

16) Information and questions regarding this adopted rule shall be directed to:

Michael McCambridge
Illinois Pollution Control Board
100 West Randolph Street
Chicago, Illinois 60601
312-814-6924
Internet: mmccambr@pcb084rl.state.il.us

The full text of the Adopted Rule begins on the next page:

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TITLE 35: ENVIRONMENTAL PROTECTION

SUBTITLE B: AIR POLLUTION

CHAPTER I: POLLUTION CONTROL BOARD

SUBCHAPTER c: EMISSIONS STANDARDS AND LIMITATIONS FOR STATIONARY SOURCES

PART 218

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FOR THE CHICAGO AREA

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AUTHORITY: Implementing Section 10 and authorized by Section 28.5 of the Environmental Protection Act [415 ILCS 5/10 and 28.5].

SOURCE: Adopted in R91-7 at 15 Ill. Reg. 12231, effective August 16, 1991; amended in R91-24 at 16 Ill. Reg. 13564, effective August 24, 1992; amended in R91-28 and R91-30 at 16 Ill. Reg. 13864, effective August 24, 1992; amended in R93-9 at 17 Ill. Reg. 16636, effective September 27, 1993; amended in R93-14 at 18 Ill. Reg. 1945, effective January 24, 1994; amended in R94-12 at 18 Ill. Reg. 14973, effective September 21, 1994; amended in R94-15 at 18 Ill. Reg. 16392, effective October 25, 1994; amended in R94-16 at 18 Ill. Reg. 16950, effective November 15, 1994; amended in R94-21, R94-31 and R94-32 at 19 Ill. Reg. 6848, effective May 9, 1995; amended in R94-33 at 19 Ill. Reg. 7359, effective May 22, 1995; amended in R96-13 at 20 Ill. Reg. 14428, effective October 17, 1996; amended in R97-24 at 21 Ill. Reg. 7708, effective June 9, 1997; amended in R97-31 at 22 Ill. Reg. 7708, effective June 9, 1997.

FILED 12-19-98

BOARD NOTE: This Part implements the Illinois Environmental Protection Act as of July 1, 1994.

NOTE: In this Part, superscript numbers or letters are denoted by parentheses,

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subscript are denoted by brackets, and SUM means the summation series or sigma function as used in mathematics.

SUBPART F: COATING OPERATIONS

Section 218.204 Emission Limitations

Except as provided in Sections 218.205, 218.207, 218.208, and 218.212, 218.215 and 218.216 of this Subpart, no owner or operator of a coating line shall apply at any time any coating in which the VOM content exceeds the following emission limitations for the specified coating. Except as provided in Section 218.204(l), compliance ~~compliance~~ with the emission limitations marked with an asterisk in this Section is required on and after March 15, 1996, and compliance with emission limitations not marked with an asterisk is required until March 15, 1996. The following emission limitations are expressed in units of VOM per volume of coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied at each coating applicator, except where noted. Compounds which are specifically exempted from the definition of VOM should be treated as water for the purpose of calculating the "less water" part of the coating composition. Compliance with this Subpart must be demonstrated through the applicable coating analysis test methods and procedures specified in Section 218.105(a) of this Part and the recordkeeping and reporting requirements specified in Section 218.211(c) of this Subpart except where noted. (Note: The equation presented in Section 218.206 of this Part shall be used to calculate emission limitations for determining compliance by add-on controls, credits for transfer efficiency, emissions trades and cross-line averaging.) The emission limitations are as follows:

a) Automobile or Light-Duty Truck Coating	kg/l	lb/gal
1) Prime coat	0.14	(1.2)
	0.14*	(1.2)*
2) Primer surfacer coat	1.81	(15.1)
	1.81*	(15.1)*

(Note: The primer surface coat limitation is in units of kg (lbs) of VOM per l (gal) of coating solids deposited. Compliance with the limitation shall be based on the daily-weighted average from an entire primer surfacer operation. Compliance shall be demonstrated in accordance with the topcoat protocol referenced in Section 218.105(b) and the recordkeeping and reporting requirements specified in Section 218.211(f). Testing to demonstrate compliance shall be performed in accordance with the topcoat protocol and a detailed testing proposal approved by the Agency and USEPA specifying the method of demonstrating compliance with the protocol. Section 218.205 does not apply to the primer surfacer limitation.)

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- 3) Topcoat
- | | |
|-------|---------|
| kg/l | lb/gal |
| 1.81 | (15.1) |
| 1.81* | (15.1)* |

(Note: The topcoat limitation is in units of kg (lbs) of VOM per l (gal) of coating solids deposited. Compliance with the limitation shall be based on the daily-weighted average from an entire topcoat operation. Compliance shall be demonstrated in accordance with the topcoat protocol referenced in Section 218.105(b) of this Part and the recordkeeping and reporting requirements specified in Section 218.211(f). Testing to demonstrate compliance shall be performed in accordance with the topcoat protocol and a detailed testing proposal approved by the Agency and USEPA specifying the method of demonstrating compliance with the protocol. Section 218.205 of this Part does not apply to the topcoat limitation.)

- 4) Final repair coat
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.58 | (4.8) |
| 0.58* | (4.8)* |

- b) Can Coating

- 1) Sheet basecoat and overvarnish

- | | | |
|-------------------|-------|--------|
| A) Sheet basecoat | 0.34 | (2.8) |
| B) Overvarnish | 0.26* | (2.2)* |
| | 0.34 | (2.8) |
| | 0.34 | (2.8)* |
| | 0.34 | (2.8) |
| | 0.25* | (2.1)* |

- 2) Exterior basecoat and overvarnish

- | | | |
|----------------|-------|--------|
| A) Two piece | 0.51 | (4.2) |
| B) Three piece | 0.44* | (3.7)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |

- 3) Interior body spray coat

- | | | |
|----------------|-------|--------|
| A) Two piece | 0.51 | (4.2) |
| B) Three piece | 0.44* | (3.7)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |

- 4) Exterior end coat

- | | | |
|----------------|-------|--------|
| A) Two piece | 0.51 | (4.2) |
| B) Three piece | 0.44* | (3.7)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |

- 5) Side seam spray coat

- | | | |
|----------------|-------|--------|
| A) Two piece | 0.51 | (4.2) |
| B) Three piece | 0.44* | (3.7)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |

- 6) End sealing compound coat

- | | | |
|----------------|-------|--------|
| A) Two piece | 0.51 | (4.2) |
| B) Three piece | 0.44* | (3.7)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |
| | 0.51 | (4.2) |
| | 0.51* | (4.2)* |

- c) Paper Coating

- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |

(Note: The paper coating limitation shall not apply to any owner or operator of any paper coating line on which printing is

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performed if the paper coating line complies with the emissions limitations in Subpart H: Printing and Publishing, Section 218.401 of this Part.)

- d) Coil Coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- e) Fabric Coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- f) Vinyl Coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- g) Metal Furniture Coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- h) Large Appliance Coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- i) Magnet Wire Coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- j) Miscellaneous Metal Parts and Products Coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- 1) Clear coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- 2) Extreme performance coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- A) Air dried
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- B) Baked
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- 3) Steel pail and drum interior coating
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- 4) All other coatings
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- A) Air Dried
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- B) Baked
- | | |
|-------|--------|
| kg/l | lb/gal |
| 0.31 | (2.6) |
| 0.20* | (1.7)* |
| 0.35 | (2.9) |
| 0.28* | (2.3)* |
| 0.45 | (3.8) |
| 0.28* | (2.3)* |

- (Note: The limitation shall not apply to the use of quick-drying lacquers for repair of scratches and nicks that occur during assembly, provided that the volume of coating does not exceed 0.95 l (1 quart) in any one rolling eight-hour period.)

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- 5) Marine engine coating
- A) Air Dried 0.42 (3.5)
0.42* (3.5)*
- B) Baked
- i) Primer/Topcoat 0.42 (3.5)
0.42* (3.5)*
- ii) Corrosion resistant basecoat 0.42 (3.5)
0.28* (2.3)*
- C) Clear Coating 0.52 (4.3)
0.52* (4.3)*
- 6) Metallic Coating
- A) Air Dried 0.42 (3.5)
0.42* (3.5)*
- B) Baked 0.36 (3.0)
0.36 (3.0)*
- 7) Definitions
- A) For purposes of subsection 218.204(j)(5) of this Section, the following terms are defined:
- i) "Corrosion resistant basecoat" means, for purposes of subsection 218.204(j)(5)(B)(ii) of this Section, a water-borne epoxy coating applied via electrodeposition process to a metal surface prior to spray coating, for the purpose of enhancing corrosion resistance.
- ii) "Electrodeposition process" means for purposes of subsection 218.204(j)(5) of this Section, a water-borne dip coating process in which opposite electrical charges are applied to the substrate and the coating. The coating is attracted to the substrate due to the electrochemical potential difference that is created.
- iii) "Marine engine coating" means for purposes of subsection 218.204(j)(5) of this Section, any extreme performance protective, decorative or functional coating applied to an engine that is used to propel watercraft.
- B) For purposes of subsection 218.204(j)(6) of this Section, "metallic coating" means a coating which contains more than 1/4 lb/gal of metal particles, as applied.
- k) Heavy Off-Highway Vehicle Products Coating kg/l lb/gal
- 1) Extreme performance 0.42 (3.5)
0.42* (3.5)*
- 2) Extreme performance top-coat (air dried) 0.42 (3.5)
0.42* (3.5)*
- 3) Final repair coat (air dried) 0.42 (3.5)
0.42* (3.5)*
- 4) All other coatings are subject to the emission limitations for

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Miscellaneous metal parts and products coating in subsection (j) above.

1) Wood Furniture Coating	kg/l	lb/gal
1) Clear-topcoat	0.67	(5.6)
	0.67*	(5.6)*
2) Opaque-stain	0.56	(4.7)
	0.56*	(4.7)*
3) Pigmented-coat	0.60	(5.0)
	0.60*	(5.0)*
4) Repair-coat	0.67	(5.6)
	0.67*	(5.6)*
5) Sealer	0.67	(5.6)
	0.67*	(5.6)*
6) Semi-transparent-stain	0.79	(6.6)
	0.79*	(6.6)*
7) Wash-coat	0.73	(6.1)
	0.73*	(6.1)*

1) Limitations before March 15, 1998:

A) Clear topcoat	kg/l	lb/gal
	0.67	(5.6)
B) Opaque stain	0.56	(4.7)
	0.60	(5.0)
C) Pigmented coat	0.67	(5.6)
D) Repair coat	0.67	(5.6)
E) Sealer	0.67	(5.6)
F) Semi-transparent stain	0.79	(6.6)
G) Wash coat	0.73	(6.1)

(Note: Prior to March 15, 1998, an owner or operator of a wood furniture coating operation subject to this Section shall apply all coatings, with the exception of no more than 37.8 l (10 gal) of coating per day used for touch-up and repair operations, using one or more of the following application systems: airless spray application system, air-assisted airless spray application system, electrostatic spray application system, electrostatic bell or disc spray application system, heated airless spray application system, roller coating, brush or wipe coating application system, dip coating application system or high volume low pressure (HVLP) application system.)

2) On and after March 15, 1998, wood furniture sealers and topcoats must comply with one of the limitations specified in subsections

(1)(2)(A) through (E), below:

	kg VOM/kg solids	lb VOM/lb solids
A) Topcoat	0.8	(0.8)

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- B) Sealers and topcoats with the following limits:
- i) Non-acid-cured alkyd amino vinyl sealer (1.9)
 - ii) Non-acid-cured alkyd amino conversion varnish (1.8)
 - iii) Acid-cured alkyd amino vinyl sealer (2.3)
 - iv) Acid-cured alkyd amino conversion varnish (2.0)
- C) Meet the provisions of Section 218.215 of this Subpart for use of an averaging approach.
- D) Achieve a reduction in emissions equivalent to the requirements of subsection (1)(2)(A) or (B) of this Section, as calculated using Section 218.216 of this Subpart; or
- E) Use a combination of the methods specified in subsections (1)(2)(A) through (D) of this Section.
- 3) Other wood furniture coating limitations on and after March 15, 1998:

	kg/l	lb/gal
A) Opaque stain	0.56	(4.7)
B) Non-topcoat pigmented coat	0.60	(5.0)
C) Repair coat	0.67	(5.6)
D) Semi-transparent stain	0.79	(6.6)
E) Wash coat	0.73	(6.1)

- 4) Other wood furniture coating requirements on and after March 15, 1998:
- A) No source subject to the limitations of subsection (1)(2) or (3) of this Section and utilizing one or more wood furniture coating spray booths shall use strippable spray booth coatings containing more than 0.8 kg VOM/kg solids (0.8 lb VOM/lb solids), as applied.
- B) Any source subject to the limitations of subsection (1)(2) or (3) of this Section shall comply with the requirements of Section 218.217 of this Subpart.
- C) Any source subject to the limitations of subsection (1)(2)(A) or (B) of this Section and utilizing one or more continuous coaters shall, for each continuous coater, use an initial coating which complies with the limitations of subsection (1)(2)(A) or (B) of this Section. The viscosity of the coating in each reservoir shall always be greater than or equal to the viscosity of the initial coating in the

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- reservoir. The owner or operator shall:
- i) Monitor viscosity of the coating in the reservoir with a viscosity meter or by testing the viscosity of the initial coating and retesting the coating in the reservoir each time solvent is added;
 - ii) Collect and record the reservoir viscosity and the amount and weight of VOM per weight of solids of coating and solvent each time coating or solvent is added; and
 - iii) Maintain these records at the source for a period of three years.

m) Existing Diesel-Electric Locomotive Coating Lines in Cook County

	kg/l	lb/gal
1) Extreme performance prime coat	0.42	(3.5)
2) Extreme performance top-coat (air dried)	0.42*	(3.5)*
3) Final repair coat (air dried)	0.42*	(3.5)*
4) High-temperature aluminum coating	0.42*	(3.5)*
5) All other coatings	0.72	(6.0)
	0.72*	(6.0)*
	0.36	(3.0)
	0.36*	(3.0)*

n) Plastic Parts Coating: Automotive/Transportation

	kg/l	lb/gal
1) Interiors		
A) Baked		
i) Color coat	0.49*	(4.1)*
ii) Primer	0.46*	(3.8)*
B) Air Dried		
i) Color coat	0.38*	(3.2)*
ii) Primer	0.42*	(3.5)*
2) Exteriors (flexible and non-flexible)		
A) Baked		
i) Primer	0.60*	(5.0)*
ii) Primer non-flexible	0.54*	(4.5)*
iii) Clear coat	0.52*	(4.3)*
iv) Color coat	0.55*	(4.6)*
B) Air Dried		
i) Primer	0.66*	(5.5)*
ii) Clear coat	0.54*	(4.5)*
iii) Color coat (red & black)	0.67*	(5.6)*

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iv) Color coat (others)	0.61*	(5.1)*
3) Specialty		
A) Vacuum metallizing basecoats, texture basecoats	0.66*	(5.5)*
B) Black coatings, reflective argent coatings, air bag cover coatings, and soft coatings	0.71*	(5.9)*
C) Gloss reducers, vacuum metallizing topcoats, and texture topcoats	0.77*	(6.4)*
D) Stencil coatings, adhesion primers, ink pad coatings, electrostatic prep coatings, and resist coatings	0.82*	(6.8)*
E) Head lamp lens coatings	0.89*	(7.4)*

o) Plastic Parts Coating: Business Machine

1) Primer	kg/l	lb/gal
2) Color coat (non-texture coat)	0.14*	(1.2)*
3) Color coat (texture coat)	0.28*	(2.3)*
4) Electromagnetic interference/radio frequency interference (EMI/RFI) shielding coatings	0.28*	(2.3)*
5) Specialty Coatings	0.48*	(4.0)*
A) Soft coat		
B) Plating resist	0.52*	(4.3)*
C) Plating sensitizer	0.71*	(5.9)*
	0.85*	(7.1)*

(Source: Amended at 22 Ill. Reg. _____, effective _____, FEB 04 1998)

Section 218.205 Daily-Weighted Average Limitations

No owner or operator of a coating line subject to the limitations of Section 218.204 of this Subpart and complying by means of this Section shall operate

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the subject coating line unless the owner or operator has demonstrated compliance with subsection (a), (b), (c), (d), (e), (f), (g), (h) or (i) of this Section (depending upon the category of coating) through the applicable coating analysis test methods and procedures specified in Section 218.105(a) of this Part and the recordkeeping and reporting requirements specified in Section 218.211(d) of this Subpart:

- No owner or operator of a coating line subject to only one of the limitations from among Section 218.204(a)(1), (a)(4), (c), (d), (e) (f), or (i) of this Subpart shall apply coatings on any such coating line, during any day, whose whole daily-weighted average VOM content exceeds the emission limitation to which the coatings are subject.
- No owner or operator of a miscellaneous metal parts and products coating line subject to the limitations of Section 218.204(j) of this Subpart shall apply coatings to miscellaneous metal parts or products on the subject coating line unless the requirements in subsection (b)(1) or (b)(2) of this Section are met.
 - For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 218.204(j) during the same day (e.g., all coatings used on the line are subject to 0.42 kg/l [3.5 lbs/gal]), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or
 - For each coating line which applies coatings subject to more than one numerical emission limitation in Section 218.204(j) of this Subpart, during the same day, the owner or operator shall have a site-specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) 51 Fed. Reg. 43814 (December 4, 1986), must be satisfied.
- No owner or operator of a can coating line subject to the limitations of Section 218.204(b) of this Subpart shall operate the subject coating line using a coating with a VOM content in excess of the limitations specified in Section 218.204(b) of this Subpart unless all of the following requirements are met:
 - An alternative daily emission limitation shall be determined for the can coating operation, i.e. for all of the can coating lines at the source, according to subsection (c)(2) of this Section. Actual daily emissions shall never exceed the alternative daily emission limitation and shall be calculated by use of the following equation.

$$E(d) = \sum_{i=1}^n V[i]C[i]$$

where:

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- $E[d]$ = Actual VOM emissions for the day in units of kg/day (lbs/day);
- i = Subscript denoting a specific coating applied;
- n = Total number of coatings applied in the can coating operation, i.e. all can coating lines at the source;
- $V[i]$ = Volume of each coating applied for the day in units of l/day (gal/day) of coating (minus water and any compounds which are specifically exempted from the definition of VOM);
- $C[i]$ = The VOM content of each coating as applied in units of kg VOM/l (lbs VOM/gal) of coating (minus water and any compounds which are specifically exempted from the definition of VOM).
- 2) The alternative daily emission limitation ($A[d]$) shall be determined for the can coating operation, i.e. for all of the can coating lines at the source, on a daily basis as follows:

$$A[d] = \sum_{i=1}^n V[i] \frac{L[i] (D[i] - C[i])}{(D[i] - L[i])}$$

where:

- $A[d]$ = The VOM emissions allowed for the day in units of kg/day (lbs/day);
- i = Subscript denoting a specific coating applied;
- n = Total number of surface coatings applied in the can coating operation;
- $C[i]$ = The VOM content of each surface coating as applied in units of kg VOM/l (lbs VOM/gal) of coating (minus water and any compounds which are specifically exempted from the definition of VOM);
- $D[i]$ = The density of VOM in each coating applied. For the purposes of calculating $A[d]$, the density is 0.882 kg VOM/l VOM (7.36 lbs VOM/gal VOM);

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- $V[i]$ = Volume of each surface coating applied for the day in units of l (gal) of coating (minus water and any compounds which are specifically exempted from the definition of VOM);
- $L[i]$ = The VOM emission limitation for each surface coating applied as specified in Section 218.204(b) of this Subpart in units of kg VOM/l (lbs VOM/gal) of coating (minus water and any compounds which are specifically exempted from the definition of VOM).
- d) No owner or operator of a heavy off-highway vehicle products coating line subject to the limitations of Section 218.204(k) of this Subpart shall apply coatings to heavy off-highway vehicle products on the subject coating line unless the requirements of subsection (d)(1) or (d)(2) of this Section are met.
- 1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 218.204(k) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.42 kg/l {3.5 lbs/gal}), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or
- 2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 218.204(k) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) 51 Fed. Reg. 43814 (December 4, 1986), must be satisfied.
- e) No owner or operator of a wood furniture coating line subject to the limitations of Section 218.204(l)(1) or (l)(3) of this Subpart shall apply coatings to wood furniture on the subject coating line unless the requirements of subsection (e)(1) or (e)(2) of this Section, in addition to the requirements specified in the note to Section 218.204(l)(1) of this Subpart, are met.
- 1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 218.204(l)(1) or (l)(3) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.67 kg/l {5.6 lbs/gal}), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or
- 2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 218.204(l)(1) or (l)(3) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive

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f) approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) 51 Fed. Reg. 43814 (December 4, 1986), must be satisfied.

1) No owner or operator of an existing diesel-electric locomotive coating line in Cook County, subject to the limitations of Section 218.204(m) of this Subpart shall apply coatings to diesel-electric locomotives on the subject coating line unless the requirements of subsection (f)(1) or (f)(2) of this Section are met.

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 218.204(m) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.42 kg/l [3.5 lbs/gal]), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 218.204(m) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) must be satisfied.

g) No owner or operator of a plastic parts coating line, subject to the limitations of Section 218.204(n) or (o) of this Subpart shall apply coatings to business machine or automotive/transportation plastic parts on the subject coating line unless the requirements of subsection (g)(1) or (g)(2) of this Section are met:

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 218.204(n) or (o) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.42 kg/l [3.5 lbs/gal]), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used; or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 218.204(n) or (o) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) must be satisfied.

h) No owner or operator of a metal furniture coating line, subject to the limitations of Section 218.204(g) of this Subpart shall apply coatings on the subject coating line unless the requirements of subsection (h)(1) or (h)(2) of this Section are met:

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 218.204(g) of this Subpart, during the same day

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(e.g., all coatings used on the line are subject to 0.34 kg/l [2.8 lbs/gal]), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used; or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 218.204(g) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) must be satisfied.

i) No owner or operator of a large appliance coating line, subject to the limitations of Section 218.204(h) of this Subpart shall apply coatings on the subject coating line unless the requirements of subsection (i)(1) or (i)(2) of this Section are met:

1) For each coating line which applies multiple coatings, all of which are subject to the same numerical emission limitation within Section 218.204(h) of this Subpart, during the same day (e.g., all coatings used on the line are subject to 0.34 kg/l [2.8 lbs/gal]), the daily-weighted average VOM content shall not exceed the coating VOM content limit corresponding to the category of coating used, or

2) For each coating line which applies coatings subject to more than one numerical emission limitation in Section 218.204(h) of this Subpart, during the same day, the owner or operator shall have a site specific proposal approved by the Agency and approved by the USEPA as a SIP revision. To receive approval, the requirements of USEPA's Emissions Trading Policy Statement (and related policy) must be satisfied.

(Source: Amended at 22 Ill. Reg. _____, effective FEB 02 1998)

Section 218.210 Compliance Schedule

Every owner or operator of a coating line (of a type included within Section 218.204 of this Subpart) shall comply with the requirements of Section 218.204, 218.205, 218.207 or 218.208 and Section 218.211 or Sections 218.212 and 218.213 of this Subpart in accordance with the appropriate compliance schedule as specified in subsection (a), (b), (c), (d), (e) or (f) below:

a) No owner or operator of a coating line which is exempt from the limitations of Section 218.204 of this Subpart because of the criteria in Section 218.208(a) or (b) of this Subpart shall operate said coating line on or after a date consistent with Section 218.106 of this Part, unless the owner or operator has complied with, and continues to comply with, Section 218.211(b) of this Subpart. Wood furniture--coating lines are not subject to Section 218.211(b) of this Subpart:

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- b) No owner or operator of a coating line complying by means of Section 218.204 of this Subpart shall operate said coating line on or after a date consistent with Section 218.106 of this Part, unless the owner or operator has complied with, and continues to comply with, Sections 218.204 and 218.211(c) of this Subpart.
- c) No owner or operator of a coating line complying by means of Section 218.205 of this Subpart shall operate said coating line on or after a date consistent with Section 218.106 of this Part, unless the owner or operator has complied with, and continues to comply with, Sections 218.205 and 218.211(d) of this Subpart.
- d) No owner or operator of a coating line complying by means of Section 218.207 of this Subpart shall operate said coating line on or after a date consistent with Section 218.106 of this Part, unless the owner or operator has complied with, and continues to comply with, Sections 218.207 and 218.211(e) of this Subpart.
- e) No owner or operator of a coating line subject to one or more of the emission limitations contained in Section 218.204 of this Subpart on or after March 15, 1996, choosing to comply by means of Section 218.204, 218.205 or 218.207 of this Subpart, shall operate said coating line on or after March 15, 1996, unless the owner or operator complies with and continues to comply with, respectively, the applicable requirements in Section 218.204, or the alternative control options in Section 218.205 or 218.207 and the requirements of Section 218.211.
- f) No owner or operator of a coating line subject to one or more of the emission limitations contained in Section 218.204 of this Subpart on or after March 15, 1996, choosing to comply by means of Section 218.212 of this Subpart, shall operate said coating line on or after March 15, 1996, unless the owner or operator complies with and continues to comply with the requirements of Sections 218.212 and 218.213 of this Subpart.

(Source: Amended at 22 Ill. Reg. _____, effective _____, FEB 02 1996)

Section 218.211 Recordkeeping and Reporting

- a) The VOM content of each coating and the efficiency of each capture system and control device shall be determined by the applicable test methods and procedures specified in Section 218.105 of this Part to establish the records required under this Section.
- b) Any owner or operator of a coating line which is exempted from the limitations of Section 218.204 of this Subpart Part because of Section 218.208(a) or (b) of this Subpart Part shall comply with the following:
- 1) For sources exempt under Section 218.208(a) of this Subpart, by _____
 - By a date consistent with Section 218.106 of this Part, the owner or operator of a coating line or a group of coating lines

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referenced in subsection (b) of this Section shall certify to the Agency that the coating line or group of coating lines is exempt under the provisions of Section 218.208(a) ~~218.108(a)~~ of this Subpart Part. Such certification shall include:

- A) A declaration that the coating line or group of coating lines is exempt from the limitations of Section 218.204 of this Subpart Part because of Section 218.208(a) of this Subpart Part; and
- B) Calculations which demonstrate that the combined VOM emissions from the coating lines or group of coating lines never exceed 6.8 kg (15 lbs) per day before the application of capture systems and control devices. The following equation shall be used to calculate total VOM emissions:

$$T[e] = \sum_{j=1}^m \sum_{i=1}^n (A[i]B[i])\{j\}$$

where:

- $T[e]$ = Total VOM emissions from coating lines each day before the application of capture systems and control devices in units of kg/day (lbs/day);
- m = Number of coating lines at the source that otherwise would be subject to the same subsection of Section 218.104 of this Part (because they belong to the same category, e.g., can coating);
- j = Subscript denoting an individual coating line;
- n = Number of different coatings as applied each day on each coating line;
- i = Subscript denoting an individual coating;
- $A[i]$ = Weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line in units of kg VOM/l (lbs VOM/gal); and
- $B[i]$ = Volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line in units of l/day (gal/day). The instrument or method by which the owner or operator accurately measured or calculated the volume of each coating as applied on each coating line each day shall be described in the certification to the Agency

- 2) For sources exempt under Section 218.208(b) of this Subpart, by _____

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March 15, 1998, or upon initial start-up, the owner or operator of a coating line or a group of coating lines referenced in subsection (b) of this Section shall certify to the Agency that the source is exempt under the provisions of Section 218.208(b) of this Subpart. Such certification shall include:

- A) A declaration that the source is exempt from the limitations of Section 218.204(1) of this Subpart because of Section 218.208(b) of this Subpart; and
- B) Calculations which demonstrate that the source meets the criteria for exemption because of Section 218.208(b) of this Subpart.

3) For sources exempt under Section 218.208(a) of this Subpart, on and after a date consistent with Section 218.106 of this Part, the owner or operator of a coating line or group of coating lines referenced in this subsection shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:

- A) The name and identification number of each coating as applied on each coating line; and
- B) The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.

4) For sources exempt under Section 218.208(b) of this Subpart, on and after March 15, 1998, the owner or operator of a coating line or group of coating lines referenced in this subsection (b) shall collect and record all of the following information for each coating line and maintain the information at the source for a period of three years:

- A) The name and identification number of each coating as applied on each coating line; and
- B) The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied on each coating line on a monthly basis.

5) On and after a date consistent with Section 218.106 of this Part, the owner or operator of a coating line or group of coating lines exempted from the limitations of Section 218.204 of this Subpart because of Section 218.208(a) of this Subpart shall notify the Agency of any record showing that total VOM emissions from the coating line or group of coating lines exceed 6.8 kg (15 lbs) in any day before the application of capture systems and control devices by sending a copy of such record to the Agency within 30 days after the exceedance occurs.

6) On and after March 15, 1998, any owner or operator of a source exempt from the limitations of Section 218.204(1) of this Subpart because of Section 218.208(b) of this Subpart shall notify the Agency if the source's VOM emissions exceed the limitations of

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Section 218.208(b) of this Subpart by sending a copy of calculations showing such an exceedance within 30 days after the change occurs.

- c) Any owner or operator of a coating line subject to the limitations of Section 218.204 of this Subpart other than Section 218.204(a)(2) or (a)(3) of this Subpart and complying by means of Section 218.204 of this Subpart shall comply with the following:

1) By a date consistent with Section 218.106 of this Part, or upon initial start-up of a new coating line, or upon changing the method of compliance from an existing subject coating line from Section 218.205, or Section 218.207, Section 218.215, or Section 218.216 of this Subpart to Section 218.204 of this Subpart Part: the owner or operator of a subject coating line shall certify to the Agency that the coating line will be in compliance with Section 218.204 of this Subpart Part on and after a date consistent with Section 218.106 of this Part, or on and after the initial start-up date. Such certification shall include:

- A) The name and identification number of each coating as applied on each coating line;
- B) The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line; and

C) On and after March 15, 1998, for coating lines subject to the limitations of Section 218.204(1)(2)(A) or (B) of this Subpart, the weight of VOM per weight of solids in each coating as applied each day on each coating line.

2) On and after a date consistent with Section 218.106 of this Part, or on and after the initial start-up date, the owner or operator of a subject coating line shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:

- A) The name and identification number of each coating as applied on each coating line;
- B) The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line;

C) On and after March 15, 1998, for coating lines subject to the limitations of Section 218.204(1)(2)(A) or (B) of this Subpart, the weight of VOM per weight of solids in each coating as applied each day on each coating line and certified product data sheets for each coating; and

D) On and after March 15, 1998, for wood furniture coating spray booths subject to the limitations of Section 218.204(1)(4)(A) of this Subpart, the weight of VOM per weight of solids in each strippable spray booth coating as applied each day on each spray booth and certified product

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- data sheets for each coating.
- 3) On and after a date consistent with Section 218.106 of this Part, the owner or operator of a subject coating line shall notify the Agency in the following instances:
 - A) Any record showing violation of Section 218.204 of this Subpart Part shall be reported by sending a copy of such record to the Agency within 30 days following the occurrence of the violation.
 - B) At least 30 calendar days before changing the method of compliance from Section 218.204 of this Subpart Part to Section 218.205 or Section 218.207 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (d)(1) or (e)(1) of this Section below, respectively. Upon changing the method of compliance from Section 218.204 of this Subpart Part to Section 218.205 of this Subpart Part or Section 218.207 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (d) or (e) of this Section, respectively.
 - d) Any owner or operator of a coating line subject to the limitations of Section 218.204 of this Subpart Part and complying by means of Section 218.205 of this Subpart Part shall comply with the following:
 - 1) By a date consistent with Section 218.106 of this Part, or upon initial start-up of a new coating line, or upon changing the method of compliance for an existing subject coating line from Section 218.204 or Section 218.207 of this Subpart Part to Section 218.205 of this Subpart Part; the owner or operator of the subject coating line shall certify to the Agency that the coating line will be in compliance with Section 218.205 of this Subpart Part on and after a date consistent with Section 218.106 of this Part, or on and after the initial start-up date. Such certification shall include:
 - A) The name and identification number of each coating line which will comply by means of Section 218.205 of this Subpart Part.
 - B) The name and identification number of each coating as applied on each coating line.
 - C) The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.
 - D) On and after March 15, 1998, for coating lines subject to the limitations of Section 218.204(1)(2)(A) or (B) of this Subpart, the weight of VOM per weight of solids in each coating as applied each day on each coating line.
 - E) The instrument or method by which the owner or operator will accurately measure or calculate the volume of each coating as applied each day on each coating line.
 - F) The method by which the owner or operator will create and

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- maintain records each day as required in subsection (d)(2) of this Section.
- G) An example of the format in which the records required in subsection (d)(2) of this Section will be kept.
- 2) On and after a date consistent with Section 218.106 of this Part, or on and after the initial start-up date, the owner or operator of a subject coating line shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:
 - A) The name and identification number of each coating as applied on each coating line.
 - B) The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.
 - C) On and after March 15, 1998, for coating lines subject to the limitations of Section 218.204(1)(2)(A) or (B) of this Subpart, the weight of VOM per weight of solids in each coating as applied each day on each coating line.
 - D) The daily-weighted average VOM content of all coatings as applied on each coating line as defined in Section 218.104 of this Part.
 - 3) On and after a date consistent with Section 218.106 of this Part, the owner or operator of a subject coating line shall notify the Agency in the following instances:
 - A) Any record showing violation of Section 218.205 of this Subpart Part shall be reported by sending a copy of such record to the Agency within 30 days following the occurrence of the violation.
 - B) At least 30 calendar days before changing the method of compliance with this Subpart from Section 218.205 of this Subpart Part to Section 218.204 or Section 218.207 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (c)(1) or (e)(1) of this Section, respectively. Upon changing the method of compliance with this Subpart from Section 218.205 to Section 218.204 or Section 218.207 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (c) or (e) of this Section, respectively.
 - e) Any owner or operator of a coating line subject to the limitations of Section 218.207 of this Subpart Part and complying by means of Section 218.207(c), (d), (e), (f), (g) or (h) of this Subpart Part shall comply with the following:
 - 1) By a date consistent with Section 218.106 of this Part, or upon initial start-up of a new coating line, or upon changing the method of compliance for an existing coating line from Section 218.204 or Section 218.205 of this Subpart to Section 218.207 of this Subpart, the owner or operator of the subject coating line

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shall perform all tests and submit to the Agency the results of all tests and calculations necessary to demonstrate that the subject coating line will be in compliance with Section 218.207 of this Subpart Part on and after a date consistent with Section 218.106 of this Part, or on and after the initial start-up date.

2) On and after a date consistent with Section 218.106 of this Part, or on and after the initial start-up date, the owner or operator of a subject coating line shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:

- A) The weight of VOM per volume of coating solids as applied each day on each coating line, if complying pursuant to Section 218.207(b)(2) of this Subpart Part.
- B) Control device monitoring data.
- C) A log of operating time for the capture system, control device, monitoring equipment and the associated coating line.

- D) A maintenance log for the capture system, control device and monitoring equipment detailing all routine and non-routine maintenance performed including dates and duration of any outages.

- 3) On and after a date consistent with Section 218.106 of this Part, the owner or operator of a subject coating line shall notify the Agency in the following instances:

- A) Any record showing violation of Section 218.207 of this Subpart Part shall be reported by sending a copy of such record to the Agency within 30 days following the occurrence of the violation.

- B) At least 30 calendar days before changing the method of compliance with this Subpart from Section 218.207 of this Subpart Part to Section 218.204 or Section 218.205 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (c)(1) or (d)(1) of this Section, respectively. Upon changing the method of compliance with this subpart from Section 218.207 of this Subpart Part to Section 218.204 or Section 218.205 of this Subpart Part, the owner or operator shall comply with all requirements of subsection (c) or (d) of this Section, respectively.

- F) Any owner or operator of a primer surfacer operation or topcoat operation subject to the limitations of Section 218.204(a)(2) or (a)(3) of this Subpart Part shall comply with the following:

- 1) By a date consistent with Section 218.106 of this Part, or upon initial start-up of a new coating operation, the owner or operator of a subject coating operation shall certify to the Agency that the operation will be in compliance with Section 218.204 of this Subpart Part on and after a date consistent with Section 218.106 of this Part, or on and after the initial start-up date. Such certification shall include:

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- A) The name and identification number of each coating operation which will comply by means of Section 218.204(a)(2) and (a)(3) of this Subpart Part and the name and identification number of each coating line in each coating operation.

- B) The name and identification number of each coating as applied on each coating line in the coating operation.

- C) The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.

- D) The transfer efficiency and control efficiency measured for each coating line.

- E) Test reports, including raw data and calculations documenting the testing performed to measure transfer efficiency and control efficiency.

- F) The instrument or method by which the owner or operator will accurately measure or calculate the volume of each coating as applied each day on each coating line.

- G) The method by which the owner or operator will create and maintain records each day as required in subsection (f)(2) below.

- H) An example format for presenting the records required in subsection (f)(2) below.

- 2) On and after a date consistent with Section 218.106 of this Part, or on and after the initial start-up date, the owner or operator of a subject coating operation shall collect and record all of the following information each day for each operation and maintain the information at the source for a period of three years:

- A) All information necessary to calculate the daily-weighted average VOM emissions from the coating operations in kg (lbs) per 1 (gal) of coating solids deposited in accordance with the proposal submitted, and approved pursuant to Section 218.204(a)(2) or (a)(3) of this Subpart Part including:

- i) The name and identification number of each coating as applied on each coating operation.
- ii) The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating operation.

- B) If a control device(s) is used to control VOM emissions, control device monitoring data: a log of operating time for the capture system, control device, monitoring equipment and the associated coating operation; and a maintenance log for the capture system, control device and monitoring equipment, detailing all routine and non-routine maintenance performed including dates and duration of any outages.

- 3) On and after a date consistent with Section 218.106 of this Part

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or on and after the initial start-up date, the owner or operator of a subject coating operation shall determine and record the daily VOM emissions in kg (lbs) per l (gal) of coating solids deposited in accordance with the proposal submitted and approved pursuant to Section 218.204(a)(2) or (a)(3) of this Subpart Part within 10 days from the end of the month and maintain this information at the source for a period of three years.

- 4) On and after a date consistent with Section 218.106 of this Part, the owner or operator of a subject coating operation shall notify the Agency in the following instances:

- A) Any record showing a violation of Section 218.204(a)(2) or (a)(3) of this Subpart Part shall be reported by sending a copy of such record to the Agency within 15 days from the end of the month in which the violation occurred.
- B) The owner or operator shall notify the Agency of any change to the operation at least 30 days before the change is effected. The Agency shall determine whether or not compliance testing is required. If the Agency determines that compliance testing is required, then the owner or operator shall submit a testing proposal to the Agency within 30 days and test within 30 days of the approval of the proposal by the Agency and USEPA.

(Source: Amended at 22 Ill. Reg. 3556, effective FEB 02 1998)

Section 218.215 Wood Furniture Coating Averaging Approach

- a) On and after March 15, 1998, any owner or operator of a source subject to the limitations of Section 218.204(1) of this Subpart may elect to comply with the requirements of this Section rather than complying with the applicable emission limitations set forth in Section 218.204(1)(2)(A) or (B) of this Subpart. The source must continue to comply with the limitations set forth in Section 218.204(1)(3) and (4) of this Subpart. A source electing to rely on this Section to demonstrate compliance with the requirements of this Subpart shall operate pursuant to federally enforceable permit conditions approved by the Agency and USEPA.
- b) An owner or operator of a source subject to the limitations of Section 218.204(1) of this Subpart and electing to rely on this Section to demonstrate compliance with this Subpart must establish, by use of subsection (b)(1) or (b)(2) of this Section, that, on a daily basis, actual emissions from the affected source are less than or equal to ninety percent of the allowable emissions, that is $V[a] < V[p]$:

- 1) Option I:

n

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$$A) \quad V[a] = \sum_{i=1}^n (ER[TC[i]] \times TC[i]); \text{ and}$$

$$B) \quad V[p] = 0.9 \times \sum_{i=1}^n (0.8 \times TC[i])$$

2) Option II:

$$A) \quad V[a] = \sum_{i=1}^n [(ER[TC[i]] \times TC[i]) + (ER[SE[i]] \times SE[i]) + (ER[WC[i]] \times WC[i]) + (ER[PC[i]] \times PC[i]) + (ER[ST[i]] \times ST[i])]; \text{ and}$$

$$B) \quad V[p] = 0.9 \times \sum_{i=1}^n [(1.8 \times TC[i]) + (1.9 \times SE[i]) + (9.0 \times WC[i]) + (1.2 \times PC[i]) + (0.791 \times ST[i])]$$

where:

$V[a]$ = Actual VOM emissions from the source;
 $V[p]$ = 90% of the allowable VOM emissions from the source;
 n = Number of different wood furniture coatings as applied each day on each coating line;
 i = Subscript denoting an individual coating;
 $TC[i]$ = kilograms of solids in topcoat "i" used;
 $SE[i]$ = kilograms of solids in sealer "i" used;
 $WC[i]$ = kilograms of solids in wash coat "i" used;
 $PC[i]$ = kilograms of solids in non-topcoat pigmented coat "i" used;
 $ST[i]$ = liters of stain "i" used;
 $ER[TCi]$ = VOM content of topcoat "i" in kg VOM/kg solids, as applied;
 $ER[SEi]$ = VOM content of sealer "i" in kg VOM/kg solids, as applied;
 $ER[WCi]$ = VOM content of washcoat "i" in kg VOM/kg solids, as applied;
 $ER[PCi]$ = VOM content of non-topcoat pigmented coat "i" in kg VOM/kg solids, as applied;
 $ER[STi]$ = VOM content of stain "i" in kg VOM/liter (kg/l), as applied.

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c) Within the structure of the source's federally enforceable permit conditions, an owner or operator of a source electing to rely on this Section to demonstrate compliance with this Subpart shall provide to the Agency:

- 1) The name and identification number of each participating coating line;
- 2) The name and identification number of each coating as applied on each participating coating line;
- 3) A summary of how averaging will be used to meet the emission limitations;
- 4) Documentation that $V(a) \leq V(p)$, as calculated in subsection (b)(1) or (2) of this Section;
- 5) A description of which types of coating materials will be included in the source's averaging program, which may include stains, basecoats, washcoats, sealers, and topcoats. Coating materials that are applied using continuous coaters may be used in an averaging program only if the source can determine the amount of coating used each day;
- 6) A description of methods and procedures for quantifying emissions on a daily basis, including methods to determine the VOM content of each coating and the daily usage of each coating; and
- 7) A summary of the monitoring, recordkeeping, and reporting procedures that will be used to demonstrate daily compliance with the inequalities in subsections (b)(1) and (2) of this Section. These procedures shall be structured such that the Agency and the owner or operator of the source can determine the source's compliance status for any given day.

d) On and after March 15, 1998, or on and after the initial start-up date, the owner or operator of a source electing to rely on this Section to comply with the requirements of this Subpart shall, for each coating line relying on this Section, collect and record the following information on a daily basis and maintain the information at the source for a period of three years:

- 1) The name and identification number of each coating as applied on the coating line;
 - 2) The weight of VOM per weight of solids (kg VOM/kg solids) and the weight of solids (kg) of each coating as applied on each coating line on a daily basis;
 - 3) Certified product data sheets for each coating; and
 - 4) The calculations showing the source has met the conditions of the inequalities in subsection (b)(1) or (2) of this Section.
- e) On and after March 15, 1998, or on and after the initial start-up date, the owner or operator of a source electing to rely on this Section to comply with the requirements of this Subpart shall:
- 1) Notify the Agency within 30 calendar days following an occurrence of a violation of this Section; and
 - 2) Send to the Agency any record showing a violation of this Section within 30 calendar days following the occurrence of a violation.

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f) At least 30 calendar days before changing the method of compliance with this Subpart from reliance on this Section to reliance on Section 218.204(l)(2)(A) or (B) of this Subpart, the owner or operator of a source relying on this Section to demonstrate compliance with this Subpart for one or more wood furniture coating lines shall:

- 1) Comply with all requirements of Section 218.211(c)(1) of this Subpart; and
- 2) Certify that all remaining coating lines relying on this Section to comply with the requirements of this Subpart, if any, comply and continue to comply with the requirements of this Section.

(Source: Added at 22 Ill. Reg. (), effective FEB 02 1998)

Section 218.216 Wood Furniture Coating Add-On Control Use

The owner or operator of a source subject to the requirements of Section 218.204(l)(2) of this Subpart may choose to comply with those limitations by relying on Section 218.204(l)(2)(D) of this Subpart if all of the following requirements are met:

- a) For each coating applied, determine the overall control efficiency needed to demonstrate compliance using the following equation:

$$R = [(C - L)/C] \times 100$$

where:

R = the necessary overall capture and control efficiency of the control system, as a percentage;

C = the VOM content of the coating, in kilograms of VOM per kilograms of coating solids (kg VOM/kg solids), as applied;

L = the emission limitation for that coating, as given in Section 218.204(l)(2)(B) of this Subpart.

b) Calculate the equivalent overall capture and control efficiency of the control device using the procedures of Section 218.105(c), (d), and (e) of this Part.

c) Demonstrate that the equivalent overall capture and control efficiency calculated using the procedures in Section 218.105(c), (d), and (e) of this Part is equal to or greater than the largest value of R calculated for each coating by the equation in subsection (a) of this Section.

d) Install, calibrate, operate, and maintain the applicable monitoring equipment for the control device as specified in Section 218.105(d) of this Part.

e) On and after March 15, 1998, or on and after the initial start-up

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date, the owner or operator of a source electing to rely on this Section to comply with the requirements of this Subpart shall, for each coating line relying on this Section, collect and record the following information on a daily basis and maintain the information at the source for a period of three years:

- 1) The name and identification number of each coating as applied on the coating line;
- 2) The weight of VOM per weight of solids (kg VOM/kg solids) of each coating as applied on each coating line on a daily basis;
- 3) Certified product data sheets for each coating;
- 4) Control device monitoring data;
- 5) A log of operating time for the capture system, control device, monitoring equipment and the associated coating line; and
- 6) A maintenance log for the capture system, control device and monitoring equipment detailing all routine and non-routine maintenance performed including dates and duration of any outages.

f) On and after March 15, 1998, or on and after the initial start-up date, the owner or operator of a source electing to rely on this Section to comply with the requirements of this Subpart shall:

- 1) Notify the Agency within 30 calendar days following an occurrence of a violation of this Section; and
 - 2) Send to the Agency any record showing a violation of this Section within 30 calendar days following the occurrence of a violation.
- g) At least 30 calendar days before changing the method of compliance with this Subpart from reliance on this Section to reliance on Section 218.204(l)(2)(A) or (B) of this Subpart, the owner or operator of a source relying on this Section to demonstrate compliance with this Subpart for one or more wood furniture coating lines shall:
- 1) Comply with all requirements of Section 218.211(c)(1) of this Subpart; and
 - 2) Certify that all remaining coating lines relying on this Section to comply with the requirements of this Subpart, if any, comply and continue to comply with the requirements of this Section.

(Source: Added at 22 Ill. Reg. _____, effective FEB 02 1998)

Section 218.217 Wood Furniture Coating Work Practice Standards

- a) Spray booth cleaning. Each owner or operator of a source subject to the limitations of Section 218.204(l) of this Subpart shall not use compounds containing more than 8.0 percent, by weight, of VOM for cleaning spray booth components other than conveyors, continuous coaters and their enclosures, and metal filters, unless the spray booth is being refurbished. If the spray booth is being refurbished, that is, the spray booth coating or other material used to cover the booth is being replaced, the affected source shall use no more than

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1.0 gallon of organic solvent to prepare the booth prior to applying the booth coating.

- b) Cleaning and storage requirements. Each owner or operator of a source subject to the limitations of Section 218.204(l) of this Subpart shall:

- 1) Keep, store, and dispose of all coating, cleaning, and washoff materials in closed containers;
 - 2) Pump or drain all organic solvent used for line cleaning into closed containers;
 - 3) Collect all organic solvent used to clean spray guns in closed containers; and
 - 4) Control emissions from washoff operations by using closed tanks.
- c) Application equipment requirements. No owner or operator of a source subject to the limitations of Section 218.204(l) of this Subpart shall use conventional air spray guns to apply coating materials to wood furniture except under the circumstances specified in subsections (C)(1) through (4) of this Section:

- 1) To apply coating materials that have a VOM content no greater than 1.0 kg VOM/kg solids (1.0 lb VOM/lb solids), as applied;
- 2) For repair coating under the following circumstances:
 - A) The coating materials are applied after the completion of the coating operation; or
 - B) The coating materials are applied after the stain and before any other type of coating material is applied, and the coating materials are applied from a container that has a volume of no more than 2.0 gallons;
- 3) If the spray gun is aimed and triggered automatically, rather than manually; or
- 4) If emissions from the finishing application station are directed to a control device pursuant to Section 218.216 of this Subpart.

(Source: Added at 22 Ill. Reg. _____, effective FEB 02 1998)

ILLINOIS RACING BOARD

NOTICE OF ADOPTED AMENDMENTS

- 1) The Heading of the Part: Medication
- 2) Code Citation: 11 Ill. Adm. Code 603
- 3) Section Number: Adopted Action:
603.50 Amendment
603.55 New
603.120 Amendment
- 4) Statutory Authority: 230 ILCS 5/9(b)
- 5) Effective Date of Amendments: February 1, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this amendment contain incorporations by reference? No
- 8) Date filed in Agency's Principal Office: January 28, 1998
- 9) Notice of Proposal Published in Illinois Register: 21 Ill. Reg. 13281 - 10/3/97
- 10) Has JCAR issued a Statement of Objections to this rule? No
- 11) Differences between proposal and final version: None
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the letter issued by JCAR? No agreements were made.
- 13) Will these amendments replace emergency amendments currently in effect?
No
- 14) Are there any other proposed amendments pending in this Part? No
- 15) Summary and purpose of rules: The amendment to Section 603.50 moves the provision for prima facie evidence to the new Section 603.55. The amendment to Section 603.120 removes unnecessary language.
- 16) Information and questions regarding these adopted amendments shall be directed to:
Gina DiCaro
Illinois Racing Board, Legal Department
100 West Randolph, Suite 11-100
Chicago, Illinois 60601
(312) 814-5070.

The full text of the adopted amendments begins on the next page:

ILLINOIS RACING BOARD

NOTICE OF ADOPTED AMENDMENTS

- TITLE 11: ALCOHOL, HORSE RACING, AND LOTTERY
SUBTITLE B: HORSE RACING
CHAPTER I: ILLINOIS RACING BOARD
SUBCHAPTER C: RULES APPLICABLE TO ALL OCCUPATION LICENSEES

PART 603
MEDICATION

Section	
603.10	Pre-Race Saliva Tests
603.20	Racing Soundness Exam
603.30	Foreign Substances and Pharmaceutical Aids Banned
603.40	Twenty-four Hour Ban
603.50	Trainer Responsibility
603.55	Prima Facie Evidence
603.60	Permitted Use of Foreign Substances and Threshold Levels
603.70	Furosemide
603.80	Needles, Syringes and Injectables
603.90	Drugs, Chemicals and Prescription Items
603.100	Detention Barn
603.110	Test Samples
603.120	Referee Samples
603.130	Laboratory Findings and Reports
603.140	Distribution of Purses and Retention of Samples
603.150	Post Mortems
603.160	Penalties
603.170	Veterinarian's Records
603.180	Carbon Dioxide Tests

AUTHORITY: Authorized by Section 9(b) of the Illinois Horse Racing Act of 1975 [230 ILCS 5/9(b)].

SOURCE: Adopted at 21 Ill. Reg. 3232, effective March 4, 1997; amended at 22 Ill. Reg. 2217, effective January 1, 1998; amended at 22 Ill. Reg. 3544, effective FEB 01 1998.

Section 603.50 Trainer Responsibility

- a) Every trainer has the duty to guard or cause to be guarded each horse trained by him/her in such a manner as to prevent any person, including his/her veterinarian, from administering to such horse any foreign substance in violation of this Part.
- b) Every trainer has the duty to be familiar with the medication rules of the Board, and reasonably familiar with the foreign substances he/she administers or directs his/her employees to administer, and which are administered by such trainer's veterinarian.
- c) Every trainer has the duty to have each horse trained by him in its assigned security stall in accordance with 11 Ill. Adm. Code 220.

ILLINOIS RACING BOARD

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d) ~~A determination by the laboratory of the presence of a foreign substance in a pre-race or post-race sample shall constitute prima facie evidence that the trainer has violated Section 603.30(c) or has failed in the duties specified in this Section.~~

(Source: Amended at 22 Ill. Reg. 3504, effective FEB 01 1998)

Section 603.55 Prima Facie Evidence

A determination by the laboratory of the presence of a foreign substance in a test sample shall constitute prima facie evidence that the trainer has violated Section 603.30(c) or has failed in the duties specified in this Part.

(Source: Added at 22 Ill. Reg. 3504, effective FEB 01 1998)

Section 603.120 Referee Samples

a) For each horse tested, one portion of the test sample (hereinafter referred to as the "referee sample") shall be preserved by the laboratory. The referee sample shall be available for testing at the request of the owner, trainer or other person charged with a violation of these rules. The referee sample may also be tested by the Board laboratory, with the consent of the owner of the horse from whom the sample was taken, if the Illinois Racing Board requests permission from the owner to test his or her referee sample and the owner refuses to grant the permission, the Board shall deem such refusal by the owner as grounds for revoking his or her occupation license.

b) If the owner, trainer or other person charged with a violation of these rules desires to send the referee sample to another laboratory for testing, the Board shall bear the cost of preparing the samples for shipment, but the cost of such shipment and of such testing at another laboratory shall be borne by the person requesting the additional tests.

c) Whenever a referee sample is opened, a portion of that test sample shall be preserved by the Board laboratory in case further testing is requested.

(Source: Amended at 22 Ill. Reg. 3504, effective FEB 01 1998)

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF EMERGENCY AMENDMENTS

1) Heading of the Part: Professional Geologist Licensing Act

2) Code Citation: 68 Ill. Adm. Code 1252

3) Section Numbers: Emergency Action:
1252.10 Amendment
1252.50 Amendment

4) Statutory Authority: Professional Geologist Licensing Act [225 ILCS 745]

5) Effective Date of Rules: January 28, 1998

6) If these emergency rules are to expire before the end of the 150-day period, please specify the date on which they will expire: These emergency rules are to expire when the proposed rules are adopted.

7) Date Filed in Agency's Principal Office: January 28, 1998

8) Reason for Emergency: Public Act 89-366 provides for the licensure of professional geologists by the Department of Professional Regulation. In reviewing applications under the grandfather provision, it was determined that education and experience requirements needed to be modified in order to license currently practicing geologists. Emergency rules are necessary to assure having legally practicing professional geologists licensed prior to the deadline for grandfathering.

9) A Complete Description of the Subjects and Issues Involved: A review of applications of currently practicing professional geologists found that many did not have a degree in geology, but had completed all of the required coursework; accordingly, the education requirement has been amended to include completion of either an undergraduate or graduate degree if the applicants' transcripts indicated they had in fact completed all the coursework required in Section 1252.40 of this Part. The Department has also chosen to accept, upon recommendation of the Board, the cumulative total of professional geological work or research of university faculty members under certain conditions. Finally, the experience requirement of 1,800 hours per year for 4 years threatened to disenfranchise many current professional geologists, who often had 15 or 20 years experience but failed to meet the full-time criteria. Therefore, this rulemaking provides one year of credit for 1500 hours experience, regardless of whether it was full- or part-time.

10) Are there any proposed Amendments to this Part pending: No

11) Statement of Statewide Policy Objectives: This rulemaking has no impact on local government.

12) Information and questions regarding these Rules shall be directed to:

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF EMERGENCY AMENDMENTS

Department of Professional Regulation
 Attention: Jean Courtney
 320 West Washington, 3rd Floor
 Springfield, IL 62786
 217/785-0813
 Fax #: 217/782-7645

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Emergency Amendments begins on the next page:

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF EMERGENCY AMENDMENTS

TITLE 68: PROFESSIONS AND OCCUPATIONS
 CHAPTER VII: DEPARTMENT OF PROFESSIONAL REGULATION
 SUBCHAPTER B: PROFESSIONS AND OCCUPATIONS

PART 1252
 PROFESSIONAL GEOLOGIST LICENSING ACT

Section	
1252.10	Application for Licensure Without Examination (Grandfather)
EMERGENCY	
1252.20	Application for Examination/Licensure
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1252.120	Granting Variances

AUTHORITY: Implementing the Professional Geologist Licensing Act [225 ILCS 745] and authorized by Section 60(7) of the Civil Administrative Code of Illinois [20 ILCS 2105/60(7)].

SOURCE: Emergency rule creating Section 1252.10, 1252.40, 1252.50 and 1252.80 adopted at 21 Ill. Reg. 5647, effective April 22, 1997, for a maximum of 150 days; emergency expired September 19, 1997; adopted at 21 Ill. Reg. 13827, effective October 1, 1997; emergency amendment at 22 Ill. Reg. 13827, effective January 28, 1998, for a maximum of 150 days.

Section 1252.10 Application for Licensure Without Examination (Grandfather)

EMERGENCY

- a) Until July 1, 1998, an applicant meeting all the requirements for licensure under Section 50(a) of the Act and this part may be issued a license under the grandfather provisions of Section 52 of the Act without taking and passing the examination. An applicant shall file an application, by April 1, 1998, on forms provided by the Department of Professional Regulation (the Department). The application shall include the following:
- 1) Education/Experience
 - A) Official transcripts of a baccalaureate degree in geology, or graduate degree in the field of geology, indicating that the applicant has completed the coursework in accordance

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with Section 1252.40 of this Part or official transcripts of a 4 year academic degree or higher degree other than in geology, indicating that the applicant has completed the coursework in accordance with Section 1252.40 of this Part; and verification of a minimum of 4 years of professional experience as defined in Section 1252.50 of this Part. The experience must be obtained after completion of the education requirements specified in Section 50(a)(3) of the Act and Section 1252.40 of this Part. The Department, upon recommendation of the Board, will accept the cumulative total of professional geological work or geological research of persons who teach as full-time faculty of a college or university, provided such work or research can be demonstrated to be of sufficiently responsible nature equivalent to the professional requirements set forth in Section 1252.50 of this Part. Research done toward a thesis or dissertation does not apply.

- B) The Department may, upon recommendation of the Board of Licensing for Professional Geologists (Board), allow substitution of professional experience as a geologist for prescribed educational requirements. Appropriate experience shall include, but not be limited to a minimum of ten years professional experience (six years additional to that stated in subsection (a)(1)(B) above) may be substituted for 10 semester or 15 quarter hours of geology coursework. At least two of the ten years shall have been under the supervision of a licensed professional geologist, or, before July 1, 2000, a licensed professional geologist or engineer;
- 2) A complete work history since receipt of a bachelor's degree or the most recent 15 years of geology experience since receipt of the bachelor's degree, whichever is less;

- 3) The required fee set forth in Section 1252.80 of this Part; and
- 4) Certification, on forms provided by the Department, from the state or territory of the United States in which the applicant was originally licensed and the state in which he/she predominantly practices and is currently licensed, if applicable, stating:

- A) The time during which the applicant was registered in that jurisdiction, including the date of the original issuance of the license; and
- B) Whether the file on the applicant contains any record of disciplinary actions taken or pending.
- b) When the accuracy of any submitted documentation or the relevance or sufficiency of the course work or experience is questioned by the Department or the Board because of lack of information, discrepancies or conflicts in information given or a need for clarification, the applicant seeking licensure may be requested to:
- 1) Provide such information as may be necessary; and/or

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- 2) Appear for an interview before the Board to explain such relevance or sufficiency, clarify information or clear up any discrepancies or conflicts in information.
- c) *To continue practicing geology after the adoption of rules (October 1, 1997), individuals shall apply for licensure within 180 days after the effective date of the rules (April 1, 1998). If an application is received during the 180 day period, the individual may continue to practice until the Department acts to grant or deny licensure. If an application is not filed by April 1, 1998, the individual must cease the practice of geology on April 1, 1998 and until the Department acts to grant a license to the individual.* [225 ILCS 745/25]

(Source: Amended by emergency rulemaking at 22 Ill. Reg. effective January 28, 1998, for a maximum of 150 days)

Section 1252.50 Experience

EMERGENCY

- a) A minimum of 4 years of professional experience in the practice of geology or directly related work as defined in Section 15 of the Act is required for licensure under Section 50 of the Act.
- b) Beginning with persons making application for licensure on or after July 1, 2000, 2 years of professional experience must have been gained under the supervision of an Illinois licensed professional geologist or a geologist licensed in another jurisdiction having substantially equivalent licensure requirements as Illinois.
- c) All experience shall have been acquired after completion of education requirements set forth in Section 50(3) of the Act and Section 1252.40 of this Part. An applicant will receive one year of credit for 1500 hours of experience. ~~A minimum of 4 years of professional experience is defined--as at least 1800 hours a year for 4 years--No more than one year of credit will be given in a 12-month period.~~
- d) A maximum of one year experience may be credited to applicants possessing a graduate degree in geology.
- e) A maximum of one year experience may be credited to full-time faculty members who teach upper level courses in a geology program that meets the criteria in Section 1252.40.

(Source: Amended by emergency rulemaking at 22 Ill. Reg. effective January 28, 1998, for a maximum of 150 days)

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NOTICE OF PEREMPTORY AMENDMENTS

- 1) Heading of the Part: Meat and Poultry Inspection Act
- 2) Code Citation: 8 Ill. Adm. Code 125
- 3) Section Numbers:

Peremptory Action:
Amended
Amended
Amended
- 4) Reference to the Specific State or Federal Court Order, Federal Rule or Statute which requires this Peremptory Rulemaking: The Meat and Poultry Inspection Act [225 ILCS 650]; the Federal Meat Inspection Act (21 U.S.C.A. 661); the Federal Poultry Products Inspection Act (21 U.S.C.A. 454); 62 FR 61007 and 62 FR 61619.
- 5) Statutory Authority: The Meat and Poultry Inspection Act [225 ILCS 650]
- 6) Effective Date: February 2, 1998
- 7) A Complete Description of the Subjects and Issues Involved:

In order to maintain an "equal to" status with the federal meat and poultry products inspection programs as required by the federal Meat Inspection Act and the federal Poultry Products Inspection Act and in accordance with Section 16 of the Meat and Poultry Inspection Act, the Department is adopting amendments to the federal meat and poultry products inspection rules.

The Food Safety and Inspection Service (FSIS) is making technical corrections and amendments to the final rule published on July 25, 1996: "Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP) Systems". FSIS, in response to worker safety concerns, will permit "samples collected for generic E. coli testing of turkeys to be collected by sponging two sites". Samples may still be collected by the whole bird rinse procedure. FSIS will also "permit chickens and turkeys to be taken from the end of the slaughter line if it is impracticable to take a whole bird from the end of the chilling process". The specific federal regulations being amended are 9 CFR 381.94 and 9 CFR 417.2. These amendments appear at 62 FR 61007 (effective January 13, 1998).

FSIS is also amending the federal meat inspection regulations to "permit the use of a blend of carrageenan, locust bean gum, and xanthan gum as a binder in cured pork products labeled "Ham Water Added" and "Ham and Water Product-X" of Weight is Added Ingredients". The specific federal regulation being amended is 9 CFR 318.7. This amendment appears at 62 FR 61619 (effective January 20, 1998).

- 8) Does this rulemaking contain an automatic repeal date? No

The full text of the Peremptory amendment begins on the next page:

Debbie Wakefield
Illinois Department of Agriculture
State Fairgrounds
P.O. Box 19281
Springfield, IL 62794-9281
217/785-5713
Facsimile: 217/785-4505

DEPARTMENT OF AGRICULTURE

NOTICE OF PEREMPTORY AMENDMENTS

TITLE 8: AGRICULTURE AND ANIMALS

CHAPTER I: DEPARTMENT OF AGRICULTURE

SUBCHAPTER c: MEAT AND POULTRY INSPECTION ACT

PART 125

MEAT AND POULTRY INSPECTION ACT

SUBPART A: GENERAL PROVISIONS FOR BOTH MEAT AND/OR
POULTRY INSPECTION

Section

125.10 Definitions
 125.20 Incorporation by Reference of Federal Rules
 125.30 Application for License; Approval
 125.40 Official Number
 125.50 Inspections; Suspension or Revocation of License
 125.60 Administrative Hearings; Appeals (Repealed)
 125.70 Assignment and Authority of Program Employees
 125.80 Schedule of Operations; Overtime
 125.90 Official Marks of Inspection, Devices and Certificates
 125.100 Records and Reports
 125.110 Exemptions
 125.120 Disposal of Dead Animals and Poultry
 125.130 Reportable Animal and Poultry Diseases
 125.140 Detention; Seizure; Condemnation
 125.141 Sanitation Standard Operating Procedures (SOP's)
 125.142 Hazard Analysis and Critical Control Point (HACCP) Systems
 125.143 Imported Products

SUBPART B: MEAT INSPECTION

Section

125.150 Livestock and Meat Products Entering Official Establishments
 125.160 Equine and Equine Products
 125.170 Facilities for Inspection
 125.180 Sanitation
 125.190 Ante-Mortem Inspection
 125.200 Post-Mortem Inspection
 125.210 Disposal of Diseased or Otherwise Adulterated Carcasses and Parts
 125.220 Humane Slaughter of Animals
 125.230 Handling and Disposal of Condemned or Other Inedible Products at Official Establishment
 125.240 Rendering or Other Disposal of Carcasses and Parts Passed for Cooking
 125.250 Marking Products and Their Containers
 125.260 Labeling, Marking and Containers
 125.270 Entry into Official Establishment; Reinspection and Preparation of Product
 125.280 Meat Definitions and Standards of Identity or Composition

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Transportation

125.290 Imported Products (Repealed)
 125.295 Special Services Relating to Meat and Other Products
 125.300 Exotic Animal Inspection

SUBPART C: POULTRY INSPECTION

Section

125.310 Application of Inspection
 125.320 Facilities for Inspection
 125.330 Sanitation
 125.340 Operating Procedures
 125.350 Ante-Mortem Inspection
 125.360 Post-Mortem Inspection; Disposition of Carcasses and Parts
 125.370 Handling and Disposal of Condemned or Inedible Products at Official Establishments
 125.380 Labeling and Containers
 125.390 Entry of Articles Into Official Establishments; Processing Inspection and Other Reinspections; Processing Requirements
 125.400 Definitions and Standards of Identity or Composition
 125.410 Transportation; Sale of Poultry or Poultry Products

AUTHORITY: Implementing and authorized by the Meat and Poultry Inspection Act [225 ILCS 650] and Section 16 of the Civil Administrative Code of Illinois [20 ILCS 5/16].

SOURCE: Adopted at 9 Ill. Reg. 1782, effective January 24, 1985; peremptory amendment at 9 Ill. Reg. 2337, effective January 28, 1985; peremptory amendment at 9 Ill. Reg. 2980, effective February 20, 1985; peremptory amendment at 9 Ill. Reg. 4856, effective April 1, 1985; peremptory amendment at 9 Ill. Reg. 10102, effective June 5, 1985; peremptory amendment at 9 Ill. Reg. 11673, effective July 17, 1985; peremptory amendment at 9 Ill. Reg. 13748, effective August 23, 1985; peremptory amendment at 9 Ill. Reg. 15575, effective October 2, 1985; peremptory amendment at 9 Ill. Reg. 19759, effective December 5, 1985; peremptory amendment at 10 Ill. Reg. 447, effective December 23, 1985; peremptory amendment at 10 Ill. Reg. 1307, effective January 7, 1986; peremptory amendment at 10 Ill. Reg. 3318, effective January 24, 1986; peremptory amendment at 10 Ill. Reg. 3880, effective February 7, 1986; peremptory amendment at 10 Ill. Reg. 11478, effective June 25, 1986; peremptory amendment at 10 Ill. Reg. 14858, effective August 22, 1986; peremptory amendment at 10 Ill. Reg. 15305, effective September 10, 1986; peremptory amendment at 10 Ill. Reg. 16743, effective September 19, 1986; peremptory amendment at 10 Ill. Reg. 18203, effective October 15, 1986; peremptory amendment at 10 Ill. Reg. 19818, effective November 12, 1986; peremptory amendment at 11 Ill. Reg. 1696, effective January 5, 1987; peremptory amendment at 11 Ill. Reg. 2930, effective January 23, 1987; peremptory amendment at 11 Ill. Reg. 9645, effective April 29, 1987; peremptory amendment at 11 Ill. Reg.

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10321, effective May 15, 1987; peremptory amendment at 11 Ill. Reg. 11184, effective June 5, 1987; peremptory amendment at 11 Ill. Reg. 14830, effective August 25, 1987; peremptory amendment at 11 Ill. Reg. 18799, effective November 3, 1987; peremptory amendment at 11 Ill. Reg. 19805, effective November 19, 1987; peremptory amendment at 12 Ill. Reg. 2154, effective January 6, 1988; amended at 12 Ill. Reg. 3417, effective January 22, 1988; peremptory amendment at 12 Ill. Reg. 4879, effective February 25, 1988; peremptory amendment at 12 Ill. Reg. 6313, effective March 21, 1988; peremptory amendment at 12 Ill. Reg. 6819, effective March 29, 1988; peremptory amendment at 12 Ill. Reg. 13621, effective August 8, 1988; peremptory amendment at 12 Ill. Reg. 19116, effective November 1, 1988; peremptory amendment at 12 Ill. Reg. 20894, effective December 21, 1988; peremptory amendment at 13 Ill. Reg. 228, effective January 11, 1989; peremptory amendment at 13 Ill. Reg. 2160, effective February 13, 1989; amended at 13 Ill. Reg. 3696, effective March 13, 1989; peremptory amendment at 13 Ill. Reg. 15853, effective October 5, 1989; peremptory amendment at 13 Ill. Reg. 16838, effective October 11, 1989; peremptory amendment at 13 Ill. Reg. 17495, effective January 18, 1990; amended at 14 Ill. Reg. 3424, effective February 26, 1990; peremptory amendment at 14 Ill. Reg. 4953, effective March 23, 1990; peremptory amendment at 14 Ill. Reg. 11401, effective July 6, 1990; peremptory amendment at 14 Ill. Reg. 13355, effective August 20, 1990; peremptory amendment at 14 Ill. Reg. 16064, effective September 24, 1990; peremptory amendment at 14 Ill. Reg. 21060, effective May 29, 1991; peremptory amendment at 15 Ill. Reg. 620, effective January 2, 1991; peremptory amendment withdrawn at 15 Ill. Reg. 1574, effective January 2, 1991; peremptory amendment at 15 Ill. Reg. 3117, effective September 3, 1991; peremptory amendment at 15 Ill. Reg. 8714, effective May 29, 1991; amended at 15 Ill. Reg. 8801, effective June 7, 1991; peremptory amendment at 15 Ill. Reg. 13976, effective September 20, 1991; peremptory amendment at 16 Ill. Reg. 1899, effective March 2, 1992; amended at 16 Ill. Reg. 8349, effective May 26, 1992; peremptory amendment at 16 Ill. Reg. 11687, effective July 10, 1992; peremptory amendment at 16 Ill. Reg. 11963, effective July 22, 1992; peremptory amendment at 16 Ill. Reg. 12234, effective July 24, 1992; peremptory amendment at 16 Ill. Reg. 16337, effective October 19, 1992; peremptory amendment at 16 Ill. Reg. 17165, effective October 21, 1992; peremptory amendment at 17 Ill. Reg. 2063, effective February 12, 1993; peremptory amendment at 17 Ill. Reg. 15725, effective September 7, 1993; peremptory amendment at 17 Ill. Reg. 16238, effective September 8, 1993; peremptory amendment at 17 Ill. Reg. 18215, effective October 5, 1993; peremptory amendment at 18 Ill. Reg. 304, effective December 23, 1993; peremptory amendment at 18 Ill. Reg. 2164, effective January 24, 1994; amended at 18 Ill. Reg. 4622, effective March 14, 1994; peremptory amendment at 18 Ill. Reg. 6442, effective April 18, 1994; peremptory amendment at 18 Ill. Reg. 8493, effective May 27, 1994; amended at 18 Ill. Reg. 11489, effective July 7, 1994; peremptory amendment at 18 Ill. Reg. 12546, effective July 29, 1994; peremptory amendment at 18 Ill. Reg. 14475, effective September 7, 1994; amended at 18 Ill. Reg. 14924, effective September 26, 1994; peremptory amendment at 18 Ill. Reg. 15452, effective September 27, 1994; peremptory amendment at 19 Ill. Reg. 1342, effective January 27, 1995; peremptory amendment at 19 Ill. Reg. 4765, effective March 13, 1995; peremptory

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amendment at 19 Ill. Reg. 7067, effective May 8, 1995; peremptory amendment at 19 Ill. Reg. 14896, effective October 6, 1995; peremptory amendment at 19 Ill. Reg. 15766, effective November 10, 1995; peremptory amendment at 19 Ill. Reg. 16866, effective December 22, 1995; peremptory amendment at 20 Ill. Reg. 5091, effective March 19, 1996; peremptory amendment at 20 Ill. Reg. 10403, effective July 17, 1996; amended at 20 Ill. Reg. 11928, effective September 1, 1996; peremptory amendment at 20 Ill. Reg. 12634, effective September 5, 1996; peremptory amendment at 20 Ill. Reg. 15371, effective November 13, 1996; peremptory amendment at 21 Ill. Reg. 1221, effective January 14, 1997; peremptory amendment at 21 Ill. Reg. 1719, effective January 28, 1997; peremptory amendment at 21 Ill. Reg. 6609, effective May 20, 1997; amended at 21 Ill. Reg. 11494, effective August 1, 1997; peremptory amendment at 21 Ill. Reg. 11788, effective August 8, 1997; peremptory amendment at 21 Ill. Reg. 12686, effective August 28, 1997; peremptory amendment at 21 Ill. Reg. 14575, effective October 22, 1997; peremptory amendment at 22 Ill. Reg. 14575, effective February 2, 1998.

SUBPART A: GENERAL PROVISIONS FOR BOTH MEAT AND/OR

POULTRY INSPECTION

Section 125.142 Hazard Analysis and Critical Control Point (HACCP) Systems

The Department incorporates by reference 9 CFR 417 (1997; 62 FR 61007, effective January 13, 1998). The HACCP regulations set forth in 9 CFR 417 and related provisions set forth in 9 CFR 304, 327, and 381 will be applicable as follows:

- a) In large establishments, defined as all establishments with 500 or more employees, on October 1, 1998;
- b) In smaller establishments, defined as all establishments with 10 or more employees but fewer than 500, on October 1, 1999;
- c) In very small establishments, defined as all establishments with fewer than 10 employees or annual sales of less than \$2.5 million, on October 1, 2000.

(Source: Peremptory amendment at 22 Ill. Reg. 3515, effective February 2, 1998)

SUBPART B: MEAT INSPECTION

Section 125.270 Entry into Official Establishment; Reinspection and Preparation of Product

- a) The Department incorporates by reference 9 CFR 318.1(c) through 318.7, 318.9 through 318.10, 318.14 through 318.20, 318.22, 318.23, 318.24, 318.300 through 318.311 (1997; 61 FR 58780, effective January 21, 1997; 62 FR 27940, effective July 21, 1997; 62 FR 33744, effective August 22, 1997; 62 FR 45016, effective September 24, 1997; 62 FR 43631, effective October 14, 1997; 62 FR 61619, effective January 20,

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- b) No meat or meat product shall be brought into an official establishment unless it is inspected or has been prepared in an official establishment or in a federally licensed establishment and is identified by an official inspection legend as set forth in Section 125.90, a federal inspection legend, or is exempt from inspection as stated in Section 125.110. Meat and meat products received in an official establishment during the absence of the inspector shall be identified as set forth in Section 125.200 and, unless exempt from inspection, shall not be used or prepared until they have been inspected. Any meat and meat product originally prepared at any official establishment may not be returned to any part of such establishment other than the receiving area until it has been reinspected by the inspector and passed. Wild game carcasses shall comply with Section 5(B)(4) of the Act. The official establishment shall maintain an inventory of non-meat items (e.g., spices, preservatives) which are received at the official establishment. Any product that is brought on the premises of an official establishment contrary to the provisions of this Section shall be removed immediately from such establishment by the operator of the establishment.
- c) Reinspections of meat and/or meat products within the official establishment shall be performed through the use of a random digit table.
- d) Docks and receiving rooms for meat and/or meat products or other articles used by the establishment in the preparation of meat products entering an official establishment shall be approved by the inspector if the location of such docks or receiving rooms will not permit such product or article to pass through rooms containing inspected and passed products.
- e) The manner of defrosting frozen products and methods of treating to preserve products shall be in accordance with procedures as set forth in the "Meat and Poultry Inspection Manual" as adopted in Section 125.20.
- f) Casings or weasand shall be inspected and passed if it is in compliance with the specific provisions as stated in 9 CFR 318.5(i) for passage of such articles.
- g) The Department does not approve new substances to be used on meat or in meat products, their uses or the levels of use of an approved substance. Such substances will be permitted to be used and artificial flavorings may be used if they do not adulterate the meat and/or meat product in accordance with Section 2.11 of the Act and are in compliance with the provisions of this Section.
- h) References to exemptions from slaughter and custom slaughter shall mean those exemptions set forth in Section 125.110.
- i) References within the incorporated language to the federal Poultry Inspection Act, Section 403 of the Act, Section 7 of the Act, 9 CFR 303, and paragraph 23(a) of the Act shall be interpreted to mean in

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- accordance with the Meat and Poultry Inspection Act and the rules of this Part.
- j) The Department does not approve thermometers for use in smokehouses, dry rooms and other compartments that are used in the treatment of pork.
- k) Disinfectants shall be those as set forth in Section 125.180.
- l) Adequate vacuum shall be determined through the use of vacuum gauges.
- m) Canned products which may be processed without steampressure cooking shall be those products as stated in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.
- n) The inspector shall permit lots of canned product to be shipped from the official establishment prior to the completion of the incubation period on the representative samples in accordance with the specific provisions in 9 CFR 318.309.
- o) The standards and procedures for determining when ingredients of finished products are in compliance with this Section shall be as set forth in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.

(Source: Peremptory amendment at 22 Ill. Reg. $\frac{64}{60}$ $\frac{1}{1}$, effective February 2, 1998)

SUBPART C: POULTRY INSPECTION

Section 125.360 Post-Mortem Inspection; Disposition of Carcasses and Parts

- a) The Department incorporates by reference 9 CFR 381: Subpart K (1997; 62 FR 5139, effective May 5, 1997; 62 FR 26211, effective June 12, 1997; 62 FR 61007, effective January 13, 1998). The E. coli process control testing regulations set forth in 9 CFR 381.94(a) will be applicable on October 1, 1997, and the Salmonella pathogen reduction performance standards regulations set forth in 9 CFR 381.94(b) will be applicable simultaneously with applicability dates for implementation of HACCP in Section 125.142.
- b) Carcasses of rabbits affected with or showing lesions of any of the following named diseases or conditions shall be condemned: Tularemia, anthrax, hemorrhagic septicemia, pyemia, septicemia, leukemia, acute enteritis, peritonitis, sarcomatosis, metritis, necrobacillosis (Smorll's Disease), tuberculous, emaciation, streptobacillary pseudotuberculosis, and advanced stages of snuffles. Rabbits from pathological laboratories shall be condemned.
- c) Carcasses of rabbits showing any disease, such as generalized melanosis and pseudoleukemia which systemically affect the rabbit, shall be condemned.
- d) Any organ or part of a rabbit carcass which is badly bruised or which is affected by an abscess or a suppurating sore, shall be condemned. Parts or carcasses of rabbits which are contaminated by pus shall be condemned.

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- e) Carcasses of rabbits contaminated by volatile oils, paints, poisons, gases or other substances which affect the wholesomeness of the carcass shall be condemned.
- f) All carcasses of rabbits so infected that consumption of the meat or meat food products thereof may give rise to meat poisoning shall be condemned. This includes all carcasses showing signs of any of the following diseases: Acute inflammation of the lungs, pleura, pericardium, peritoneum or meninges, septicemia or pyemia (whether traumatic, or without evident cause), gangrenous or severe hemorrhagic enteritis or gastritis, polyarthritis and acute nephritis. Immediately after the slaughter of any rabbit so infected, the infected premises and implements used shall be sanitized. The part or parts of any carcass coming into contact with the carcass or any part of the carcass of any rabbit listed in this paragraph other than those affected with acute inflammation of the lungs, pleura, pericardium, peritoneum or meninges, shall be condemned.
- g) Carcasses of rabbits showing any degree of icterus with a parenchymatous degeneration of organs, the result of infection or intoxication, and those which, as a result of a pathological condition show an intense yellow or greenish-yellow discoloration without evidence of infection or intoxication shall be condemned.
- h) Carcasses of rabbits affected with mange or scab in advanced stages or showing emaciation or extension of the inflammation to the flesh shall be condemned. When the diseased condition is localized, the carcass shall be passed for food purposes after removal and condemnation of the affected parts.
- i) In the disposal of carcasses and parts of carcasses of rabbits showing evidence of infestation with parasites not transmissible to man, the following general rules shall govern: If the lesions are localized in such manner and are of such character that the parasites and the lesions caused by them may be radically removed, the non-affected portion of the carcass, or part of the carcass, shall be certified for food purposes after the removal and condemnation of the affected portions. Where a part of a carcass shows numerous lesions caused by parasites, or the character of the infestation is such that complete extirpation of the parasites and lesions is difficult and uncertainly accomplished, or if the parasitic infestation or invasion renders the organ or part in any way unfit for food, the affected organ or part shall be condemned. Where parasites are found to be distributed in a carcass in such a manner or to be of such a character that their removal and the removal of the lesions caused by them are impracticable, no part of the carcass shall be certified as capable for use as human food and the entire carcass shall be condemned. Carcasses of rabbits infested with a hydatid cyst or cysts (Echinococcus granulosus), transmissible to dogs and from dogs to man, shall in all cases be condemned regardless of the degree of infestation.
- j) Carcasses of rabbits showing such degree of emaciation or anemic

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- condition as would render the meat unwholesome, and carcasses which show a slimy degeneration of the fat or a serious infiltration of the muscles shall be condemned.
- k) Carcasses of poultry, the viscera and any part removed from the carcass shall be kept together and identified by a lot number until the inspector performs a post-mortem inspection.

(Source: Peremptory amendment at 22 Ill. Reg. _____, effective February 2, 1998)

DEPARTMENT OF REVENUE

NOTICE OF PUBLIC INFORMATION

1. Statute requiring agency to publish information concerning Private Letter Rulings in the *Illinois Register*:

Name of Act: Illinois Department of Revenue Sunshine Act
Citation: 20 ILCS 2515/1 et seq.

2. Summary of information:

Index of Department of Revenue income tax Private Letter Rulings and General Information Letters issued for the Fourth Quarter of 1997. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 86 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters contain general discussions of tax principles or applications. General information letters are designed to provide general background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. *General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act.* (See 86 Ill. Adm. Code 1200.120)

The letters are listed numerically, are identified as either a General Information Letter or a Private Letter Ruling and are summarized with a brief synopsis under the following subjects:

Addition Modifications	Property Factor
Bond Premium Amortization	Sales Factor
Dividends	Transportation Services
Interest	Other Rulings
Net Operating Loss	(Not Included Above)
Zero Coupon Bonds	Assessment
Other Rulings	Bankruptcy
(Not Included Above)	Base Income
Administrative Review	(Also See Addition Modifications, Fringe Benefits, Subtraction Modifications)
Allocation	Books and Records
(For Alternative Apportionment Rulings, See that heading)	Bulk Sales: See Sales Outside the Ordinary Course of Business (Bulk Sales)
Alternative Apportionment	Business Income
Amnesty	Capital Gains (Losses)
Apportionment	
Financial Organizations	
Insurance Companies	

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Payroll Factor	Farmers: See Estimated Tax
(Also See Subtraction Modifications - Valuation Limitations)	Federal Returns
Check Off Funds	Fiduciaries
Circuit Breaker	Financial Organizations: See Apportionment
Claims for Refund: See Refunds	Foreclosure
Collection	Foreign Sales Corporations (FSC's)
Combined Unitary Return (Also See Unitary)	Foreign Tax: See Credits
Commercial Domicile	Foreign Trade Zones: See Subtraction Modifications, Credits--Jobs Tax Forms
Compensations	Fraud: See Penalties
Composite Returns	Fringe Benefits
Confidentiality	IRC Sec. 125 "Cafeteria" Plans
Credits	IRC Sec. 401(k) Plans
Coal Research and Utilization Credit for Replacement Tax Paid	Other Rulings (Not Included Above)
Credit for Residential Real Property Taxes	Gain (Loss): See Capital Gains (Losses): Valuation Limitation
Enterprise Zone Investment Foreign Tax	Information Reports
High Impact Business Investment	Insurance Companies: See Apportionment
Jobs Tax	Interest Income
Replacement Tax Investment Research and Development Training Expense	(Also See Addition Modifications, Subtraction Modifications)
Other Rulings (Not Included Above)	Interest on Refunds and Deficiencies
Deficiencies	IRC Sec. 338
Definitions	Jeopardy: See Assessment
Domestic International Sales Corporations (DISCs)	Judicial Review
Elections: See Combined Unitary Return, Extensions, Unitary Enterprise Zones	Liens
(Also See Credits, Subtraction Modifications)	Limited Liability Companies
Erroneous Refund: See Refunds	Lottery
Estates	Military
Estimated Tax	(Also See Subtraction Modifications)
Exempt Organizations	Miscellaneous
Exemptions	Modification Addition: See Addition Modifications
Failure to File: See Penalties	Modification Subtraction: See Subtraction Modifications
Failure to Pay: See Penalties	Mutual Funds: See Subtraction Modifications
(Also See Base Income, Capital Gains (Losses), Combined Unitary	Net Income (Loss) and Net Loss Deduction (ITTA Sec. 207)
	Other Rulings (Not Included Above)
	Regulated Investment Companies
	Replacement Tax

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Returns, Net Operating Loss and Net Operating Loss Deduction
 Net Operating Loss and Net Operating Loss Deduction
 Nexus: See Public Law 86-272/Nexus
 Nonbusiness income
 Nonresidents: See
 Residency/Nonresidency
 Notice and Demand: See Notices
 Notices
 Nuclear Decommissioning
 Trusts
 Overpayments: See Refunds
 Partnerships
 Payments:
 Payroll Factor: See Apportionment Penalties
 Failure to File (IITA Sec. 1001)
 Failure to File Withholding Returns (IITA Sec. 1004)
 Failure to Pay (IITA Sec. 1002)
 Failure to Pay Estimated Tax (IITA Sec. 804)
 Fraud (IITA Sec. 1002)
 Reasonable Cause (IITA Sec. 1001)
 Underpayment of Tax (IITA Sec. 1005)
 Other Rulings
 (Not Included Above)
 Pensions
 (Also See Subtraction Modifications)
 Political Organizations
 Professional Athletes
 Property Factor: See Apportionment
 Property Tax: See Subtraction Modifications
 Protest
 Public Law 86-272/Nexus
 Rate of Tax
 Real Estate Investment Trusts
 Reasonable Cause: See Penalties
 Refunds (Also See Subtraction Modifications)
 Statute of Limitations
 Qualified Pension Plans
 Real Estate Taxes
 Subpart F Income
 Transportation Services
 Valuation Limitation

(Also See Credits)
 Requirements of Requests for General Information Letters
 Requirements of Requests for Private Letter Rulings
 Residency/Nonresidency Returns
 (For Combined Unitary Return and Composite Return Rulings, See Those Headings)
 Amended Returns
 Due Dates
 Requirements to File
 Short Period Returns
 Other Rulings
 (Not Included Above)
 S Corporations
 Sales Factor: See Apportionment
 Sales Outside the Ordinary Course of Business (Bulk Sales)
 Seizure
 Separate Accounting: See Alternative Apportionment
 Signature
 Specific Accounting
 Statute of Limitations: See Assessment, Collection, Deficiencies
 Refunds
 Subchapter "S" Corporations: See S Corporations
 Subpart F Income: See Subtraction Modifications
 Subtraction Modifications
 Bond Premium Amortization
 Enterprise and Foreign Trade Zones
 Illinois Tax Refund
 Interest on U.S. Government Obligations
 Military
 Money Market Mutual Funds
 Unitary
 (Also See Combined Unitary Return)
 U.S. Government Obligations: See Subtraction Modifications
 Valuation Limitation: See Subtraction Modifications
 Voluntary Disclosure Agreements

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Other Rulings
 (Not Included Above)
 Taxability in Other States
 Taxable year
 Transferees
 (Also See Sales Outside the Ordinary Course of Business (Bulk Sales))
 Transportation Services: See Apportionment
 Trusts
 Uniform Penalty and Interest Act

Waiver on Assessments: See Assessment
 Withholding
 Employee Benefits
 Exemptions
 Personal Service Contracts (IITA Sec. 1405.2)
 Reciprocal Agreements
 Other Rulings
 (Not Included Above)

Copies of the ruling letters themselves are available for inspection and may be purchased for a minimum of \$1.00 per opinion plus 50 cents per page for each page over one. Copies of the ruling letters may be downloaded free of charge from the Department's World Wide Web site at www.revenue.state.il.us.

The indexes of Income Tax letter rulings for 1990, 1991, 1992, 1993, 1994, 1995, and 1996 are available for \$3.00. A cumulative Income Tax Sunshine Index of 1981 through 1989 letter rulings may be purchased for \$4.00.

3. Name and address of person to contact concerning this information:

Margaret Forth
 Legal Services Office
 101 West Jefferson Street
 Springfield, Illinois 62794
 Telephone: (217) 782-6996

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BASE INCOME

IT 97-0103-GIL 12/02/1997 General Information Letter: Funds received by bequest are not subject to Illinois Income taxation.

IT 97-0111-GIL 12/29/1997 General Information Letter: There is no modification related to income excluded from taxation under IRC Section 355. Accordingly, no gain excluded from federal taxation under IRC Section 355 will be subject to Illinois income tax.

COLLECTION

IT 97-0089-GIL 11/03/1997 General Information Letter: 20 ILCS 2505/39b52 authorizes the Illinois Department of Revenue to collect child support on behalf of the Illinois Department of Public Aid after the Department of Public Aid has certified such amount as past due.

IT 97-0110-GIL 12/16/1997 General Information Letter: Discussion of sources of income subject to attachment or levy.

COMPOSITE RETURNS

IT 97-0104-GIL 12/04/1997 General Information Letter: Response to a petition to file composite returns.

CREDITS - FOREIGN TAX

IT 97-0080-GIL 10/06/1997 General Information Letter: The taxpayer received a "math error" notice with respect to a claimed foreign tax credit. Given the procedural posture of the issue, the taxpayer at this point could pay the amount of additional tax; file a claim for refund and if the claim is denied protest the denial of the claim.

CREDITS - OTHER RULINGS

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IT 97-0096-GIL 11/17/1997 General Information Letter: In situations such as the ones described in the letter, while the physical act of crediting the overpayment from the preceding year may not occur until the return for that year has been filed and processed, the credit is generally posted as being effective as of the due date of the first estimated tax payment.

CREDITS - PROPERTY TAX

IT 97-0091-GIL 11/04/1997 General Information Letter: If a residence is used for both business and residential purposes, the tax attributable to the business use does not qualify for the property tax credit granted under Section 208 of the Illinois Income Tax Act.

IT 97-0092-GIL 11/06/1997 General Information Letter: Section 208 of the Illinois Income Tax Act provides a credit equal to 5% of real property taxes paid by a taxpayer during the taxable year on the individual residence of the taxpayer.

ESTIMATED TAX

IT 97-0085-GIL 10/23/1997 General Information Letter: Estimated payment dates for calendar year taxpayers are January 15, April 15, June 15 and September 15.

IT 97-0095-GIL 11/14/1997 General Information Letter: Section 803 of the Illinois Income Tax Act provides that an individual will be required to make estimated payments to the Department if he or she reasonably believes his or her Illinois income tax liability will exceed \$250 during the taxable year.

INFORMATION REPORTS

IT 97-0083-GIL 10/22/1997 General Information Letter: P.A.

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89-399, effective August 20, 1995 amended the Illinois Income Tax Act to eliminate the requirement that information reports must be filed with respect to certain rent and royalty payments, certain payments made under contracts for personal services and certain payments of prizes and awards. From that date the paying party is required to maintain a record of qualifying payments in a format that is available for review by the Department.

MISCELLANEOUS

IT 97-0102-GIL 12/01/1997 General Information Letter: Section 39e of the Civil Administrative Code provides that in the case of overpayment of any tax liability arising from an Act administered by the Department, the Department may credit the amount of overpayment and any interest thereon against any final tax liability arising under that or any other Act administered by the Department.

NET OPERATING LOSS AND NET OPERATING LOSS DEDUCTION

IT 97-0098-GIL 11/21/1997 General Information Letter: Pursuant to Section 207 of the Illinois Income Tax Act, an Illinois net operating loss may be applied in the manner provided for in Section 172 of the Internal Revenue Code.

PUBLIC LAW 86-272/NEXUS

IT 97-0081-GIL 10/10/1997 General Information Letter: General discussion of income tax nexus principles.

IT 97-0093-GIL 11/07/1997 General Information Letter: General discussion of income tax nexus principles.

IT 97-0094-GIL 11/07/1997 General Information Letter: General discussion of income tax nexus principles.

IT 97-0097-GIL 11/18/1997 General Information Letter: General discussion of income tax nexus principles.

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IT 97-0105-GIL 12/04/1997 General Information Letter: Brief discussion of general income tax nexus principles.

RATE OF TAX

IT 97-0099-GIL 11/25/1997 General Information Letter: The rate of tax on individuals is 3%.

RESIDENCY/NONRESIDENCY

IT 97-0106-GIL 12/05/1997 General Information Letter: Section 1501(a)(20) of the Illinois Income Tax Act provides the statutory definition of the term "resident."

RETURNS - REQUIREMENTS TO FILE

IT 97-0090-GIL 11/03/1997 General Information Letter: Generally, a corporation must file an Illinois income tax return if it is liable for any tax imposed by the Illinois Income Tax Act, or is qualified to business in Illinois and is required to file a federal return, regardless of whether it is liable for a tax imposed by the Illinois Income Tax Act.

IT 97-0100-GIL 11/25/1997 General Information Letter: An ESOP which is a federally tax-exempt organization under Section 501(a) of the Internal Revenue Code must file form IL-990-T if it has net income as defined under the Illinois Income Tax Act.

S CORPORATIONS

IT 97-0101-GIL 11/26/1997 General Information Letters: Section 1501(a)(28) provides that the term "Subchapter S corporation" means a corporation for which there is in effect and election under Section 1362 of the Internal Revenue Code.

IT 97-0108-GIL 12/10/1997 General Information Letter: General discussion of Qualified S corporation

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subsidiaries.

SUBTRACTION MODIFICATIONS - ENTERPRISE AND FOREIGN TRADE ZONES

IT 97-0088-GIL 10/29/1997 General Information Letter: This general information letter corrects general information letter IT 93-0193.

IT 97-0109-GIL 12/12/1997 General Information Letter: General discussion of the Enterprise Zone Dividend subtraction.

SUBTRACTION MODIFICATIONS - MILITARY

IT 97-0082-GIL 10/14/1997 General Information Letter: Payments made to a serviceman under the Ready Reserve Mobilization Program may not be subtracted pursuant to ILTA Section 203(a)(2)(E) in determining income subject to Illinois income taxation. Such payments are not compensation paid to a resident by reason of being on active duty in the Armed Forces of the United States.

IT 97-0086-GIL 10/29/1997 General Information Letter: Response to an annual survey concerning military retirement pay.

IT 97-0087-GIL 10/29/1997 General Information Letter: Response to an annual survey concerning military retirement pay.

TRUSTS

IT 97-0084-GIL 10/22/1997 General Information Letter: Section 203(c) of the Illinois Income Tax Act provides that the base income of a trust is the trust's taxable income for the taxable year subject to certain statutory addition and subtraction modifications.

UNITARY

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IT 97-0017-PLR 10/20/1997 Private Letter Ruling: Letter ruling 91-0199 is rescinded.

WITHHOLDING - EMPLOYEE BENEFITS

IT 97-0079-GIL 10/02/1997 General Information Letter: Amounts of income which an individual receives as distributions from a federally tax-qualified retirement plan will not be subject to Illinois income taxation. Because these distributions are not subject to Illinois income taxation, no obligation is imposed on employers under the Illinois Income Tax Act to withhold tax on the distributions.

WITHHOLDING - OTHER RULINGS

IT 97-0107-GIL 12/10/1997 General Information Letter: Response to a request for information as to what information should appear on a W-2.

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1. Statute requiring agency to publish information concerning Private Letter Rulings in the Illinois Register:

Name of Act: Illinois Department of Revenue Sunshine Act
Citation: 20 ILCS 2515/1

2. Summary of information:

Index of Department of Revenue sales tax Private Letter Rulings and General Information Letters issued for the Fourth Quarter of 1997. Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Private letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. (See 86 Ill. Adm. Code 1200.110) General information letters are issued by the Department in response to written inquiries from taxpayers, taxpayer representatives, business, trade, industrial associations or similar groups. General information letters contain general discussions of tax principles or applications. General information letters are designed to provide general background information on topics of interest to taxpayers. General information letters do not constitute statements of agency policy that apply, interpret, or prescribe tax laws administered by the Department. *General information letters may not be relied upon by taxpayers in taking positions with reference to tax issues and create no rights for taxpayers under the Taxpayers' Bill of Rights Act.* (See 86 Ill. Adm. Code 1200.120)

The letters are listed numerically, are identified as either a General Information Letter or a Private Letter Ruling and are summarized with a brief synopsis under the following subjects:

Agents	Manufacturing Machinery
Agricultural Producers	& Equipment
and Products	Medical Appliances
Assessments	Miscellaneous
Automobile Renting Tax	Motor Fuel Tax
Bingo	Motor Vehicles
Books and Records	Newsprint & Ink
Bulk Sales	Nexus
C.O.A.D.	Nonprofit Institutions
Certificate of Registration	Occasional Sale
Charitable Games	Oil Field Equipment
Cigarette Tax	Penalties
Claims for Credit	Pollution Control Facilities
Coal Fueled Devices	Prepaid Sales Tax
Coal Mining Equipment	Products of Photoprocessing
Coins & Precious Metals	Property Tax
Computer Software	Public Utility Taxes

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Construction Contractors	Real Estate Transfer Tax
Cooperative Associations	Repairs
Delivery Charges	Replacement Vehicle Tax
Distillation Machinery	Request for Information
Drug Tax Stamps	Returns
Drugs	Rolling Stock Exemption
Enterprise Zones	Sale at Retail
Exempt Organizations	Sale for Resale
Farm Machinery & Equipment	Sale of Service
Federal Excise Tax	Service Occupation Tax
Financial Institutions	Signature
Food	Special Order
Food, Drugs & Medical Appliances	Statute of Limitations
Governmental Bodies	Tax Collection
Graphic Arts	Tax Increment Financing
Gross Receipts	Tax Rate
High Impact Business	Telecommunications Excise Tax
Hotel Operators' Tax	Temporary Storage
Interest	Tire User Fee
Interstate Commerce	Trade-Ins
Itinerant Vendors	Use Tax
Invested Capital Tax	Vehicle Use Tax
Leasing	Vendors
Liquor Tax	
Local Taxes	
Mandatory Service Charges	
Manufacturer's Purchase Credit	
Manufacturers	

Copies of the ruling letters themselves are available for inspection and may be purchased for a minimum of \$1.00 per opinion plus 50¢ per page for each page over one. Copies of the ruling letters may be downloaded free of charge from the Department's World Wide Web site at www.revenue.state.il.us/.

The annual index of Sales and Excise Tax letter rulings (all four quarters) is available for \$3.00.

3. Name and address of person to contact concerning this information:

Margaret Forth
Legal Services Office
101 West Jefferson Street
Springfield, Illinois 62794
Telephone: (217) 782-6996

DEPARTMENT OF REVENUE

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AGENTS

ST 97-0602-GIL 12/12/1997 This letter describes the tax consequences of consignment book sales made by schools. See 86 Ill. Adm. Code 130.1915. (This is a GIL.)

AUTOMOBILE RENTING TAX

ST 97-0600-GIL 12/11/1997 Separately stated charges for insurance and separately-stated charges for collision damage waivers are not subject to the Automobile Renting Occupation and Use Tax. See 35 ILCS 155/2 and 86 Ill. Adm. Code 180.125. (This is a GIL.)

BOOKS AND RECORDS

ST 97-0504-GIL 10/27/1997 Books and records and other papers reflecting gross receipts received during any period with respect to which the Department is authorized to issue notices of tax liability as provided by Sections 4 and 5 of the Retailers' Occupation Tax Act shall be preserved until the expiration of such period unless the Department, in writing, authorizes their destruction or disposal prior to such expiration. See 35 ILCS 120/7. (This is a GIL.)

ST 97-0527-GIL 11/12/1997 Generally, taxpayers should preserve books and records reflecting gross receipts received during any period for which the Department is authorized to issue a Notice of Tax Liability. See 86 Ill. Adm. Code 130.815. (This is a GIL.)

CERTIFICATE OF REGISTRATION

ST 97-0538-GIL 11/13/1997 Businesses are required to obtain certificates of registration from the Department in order to lawfully sell tangible personal property at retail in this State. See 35 ILCS 120/2a. (This is a GIL.)

ST 97-0556-GIL 11/17/1997 Every person engaged in making retail sales in Illinois must register and obtain

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a Certificate of Registration from the Department. See the enclosed copy of 86 Ill. Adm. Code 130.701. (This is a GIL.)

CHARITABLE GAMES

ST 97-0502-GIL 10/16/1997 Section 8 of the Charitable Games Act provides that persons who participate in the management or operation of charitable games events cannot receive remuneration or compensation for their participation. See, 86 Ill. Adm. Code 435.170 (This is a GIL.)

CLAIMS FOR CREDIT

ST 97-0520-GIL 11/06/1997 No claim for credit can be approved unless the claimant demonstrates that he has borne the burden of the tax or has unconditionally repaid the amount of the tax to the vendees from whom it was collected. See 86 Ill. Adm. Code 130.1501. (This is a GIL.)

COAL MINING EQUIPMENT

ST 97-0496-GIL 10/14/1997 Polyester resin cartridges used in the roof bolting of coal mines qualify for the coal exploration, mining, off highway mining, processing, maintenance and reclamation equipment exemption. See, 86 Ill. Adm. Code 130.350. (This is a GIL.)

COMPUTER SOFTWARE

ST 97-0567-GIL 11/19/1997 Mail order sales and internet sales of "canned" computer software are taxable retail sales in Illinois. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

ST 97-0569-GIL 11/19/1997 Sales of "canned" computer software are taxable retail sales in Illinois. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

ST 97-0577-GIL 11/20/1997 If a transaction for the licensing of computer software meets all of the criteria set forth at Section 130.1935(a)(1)(A-E), neither the transfer of the software or the subsequent

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software updates will be subject to Retailers' Occupation Tax. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

ST 97-0578-GIL 11/21/1997 Sales of canned computer software are subject to Retailers' Occupation Tax and Use Tax. Tax applies to the entire charge made to the customer, including charges for all associated documentation and materials. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

ST 97-0583-GIL 11/24/1997 Sales of canned computer software are subject to Retailers' Occupation Tax and Use Tax. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

ST 97-0595-GIL 12/30/1997 Generally, sales of "canned" computer software are taxable retail sales in Illinois. See 86 Ill. Adm. Code 130.1935. (This is a GIL.)

ST 97-0621-GIL 12/31/1997 Retailers' Occupation Tax is incurred by persons selling canned computer software at retail. See 35 ILCS 120/2. (This is a GIL.)

CONSTRUCTION CONTRACTORS

ST 97-0514-GIL 11/06/1997 Construction contractors, as the end users of the tangible personal property that they incorporate into real estate, owe Use Tax on the cost price of the tangible personal property that is permanently affixed to real estate. As such, construction contractors' customers incur no Use Tax liability, and the construction contractors have no legal authority to collect the Use Tax from their customers. See 86 Ill. Adm. Code 130.1940 and 130.2075. (This is a GIL.)

ST 97-0536-GIL 11/13/1997 Persons who permanently affix tangible personal property to real estate act as construction contractors and incur Use Tax liability on their cost price of tangible personal property they physically incorporate into realty. See 86 Ill. Adm. Code 130.1940. (This is a GIL.)

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ST 97-0576-GIL 11/20/1997 In Illinois, contractors are deemed to be the users of the items that they permanently affix to realty and owe Use Tax on the cost price of the tangible personal property that they so affix to real estate. See the enclosed copy of 86 Ill. Adm. Code 130.2075. (This is a GIL.)

ST 97-0604-GIL 12/17/1997 Persons who permanently affix tangible personal property to real estate act as construction contractors and incur Use Tax liability on their cost price of tangible personal property they physically incorporate into realty. See 86 Ill. Adm. Code 130.1940. (This is a GIL.)

ST 97-0618-GIL 12/30/1997 Persons who permanently affix tangible personal property to real estate, thereby making improvements to real estate, are considered to be contractors. In Illinois, contractors are deemed to be the users of the items that they permanently affix to realty and owe Use Tax on the cost price of the tangible personal property that they so affix to real estate. See 86 Ill. Adm. Code 130.2075. (This is a GIL.)

DELIVERY CHARGES

ST 97-0551-GIL 11/14/1997 This letter discusses delivery charges in catering situations and in catalogue order situations. See 86 Ill. Adm. Code Sections 130.410, 130.415, and 130.2145. (This is a GIL.)

ST 97-0561-GIL 11/17/1997 In general, shipping and handling or delivery charges are includable in the gross receipts subject to tax unless the buyer and seller agree upon such charges separately from the selling price of the tangible personal property which is sold. In addition, such charges must be reflective of the costs of shipping and delivery. To the extent that these charges exceed the costs of shipping, they are subject to tax. See 86 Ill. Adm. Code 130.415. (This is a GIL.)

DRUGS

ST 97-0518-GIL 11/06/1997 A medicine or drug is defined as any pill, powder, potion, salve, or other

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preparation intended by the manufacturer for human use and which purports on the label to have medicinal qualities. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

EXEMPT ORGANIZATIONS

ST 97-0511-GIL 11/05/1997 Exempt organizations are allowed to engage in a very limited amount of retail selling without incurring Retailers' Occupation Tax liability. These limited amounts of selling are described in 86 Ill. Adm. Code 130.2005(a)(2) through (a)(4). (This is a GIL.)

ST 97-0522-GIL 11/06/1997 Organizations that make application to the Department and are determined to be exclusively religious, educational, or charitable receive an exemption identification number ("E" number). See 86 Ill. Adm. Code 130.2007. (This is a GIL.)

ST 97-0525-GIL 11/11/1997 Organizations that make application to the Department of Revenue and are determined to be exclusively religious, educational, or charitable, receive an exemption identification number (an "E" number). See 86 Ill. Adm. Code 130.2007. (This is a GIL.)

FARM MACHINERY & EQUIPMENT

ST 97-0499-GIL 10/14/1997 Exemption certificates documenting the farm machinery and equipment exemption must include the seller's name and address, the purchaser's name and address, and a statement that the property purchased will be used primarily in production agriculture or in State or federal agricultural programs. See 86 Ill. Adm. Code 130.305. (This is a GIL.)

ST 97-0503-GIL 10/23/1997 In general, Retailers' Occupation Tax does not apply to sales of farm machinery and equipment, both new and used and including that manufactured on special order, used or leased for use primarily (over 50%) in production agriculture or for use in State or Federal agricultural programs. See 86 Ill. Adm. Code 130.305. (This is a GIL.)

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is a GIL.)

ST 97-0512-GIL 11/05/1997 Supplies used in production agriculture do not qualify for the Farm Machinery & Equipment exemption. See 86 Ill. Adm. Code 130.305(k). (This is a GIL.)

ST 97-0545-GIL 11/13/1997 Under the Retailers' Occupation Tax Act, the farm machinery and equipment exemption is available for sales of machinery and equipment used or leased for use primarily (over 50% of the time) in production agriculture or for use in State or federal agricultural programs. See 86 Ill. Adm. Code 130.305 (This is a GIL.)

FOOD

ST 97-0500-GIL 10/14/1997 Gross receipts from retail sales of bottled water are subject to Retailers' Occupation Tax. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

ST 97-0517-GIL 11/06/1997 In general, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food which has been prepared for immediate consumption), the State Retailers' Occupation Tax is imposed at a special low rate of 1%. See 86 Ill. Adm. Code 130.310(a). (This is a GIL.)

ST 97-0523-GIL 11/06/1997 Herbal products, which substitute for smokeless tobacco, may be considered to be a food. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

ST 97-0541-GIL 11/13/1997 Generally, restaurants are establishments which sell food for immediate consumption on the premises and are therefore required to collect tax at the higher 6.25% rate, plus applicable local taxes. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

ST 97-0547-GIL 11/14/1997 Food that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been

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prepared for immediate consumption) is taxed at the rate of 1% plus applicable local taxes. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

ST 97-0550-GIL 11/14/1997 Items such as vitamins, herb capsules, powdered drinks, and nutritional bars may be considered foods and may be taxed at either the high or low rate depending upon the nature of the establishment selling the vitamins. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

ST 97-0574-GIL 11/19/1997 In general, powdered protein supplement mixes are considered food and are subject to the low rate of tax assuming that they are purchased for consumption off the premises where purchased. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

ST 97-0590-GIL 11/25/1997 With respect to food for human consumption which is to be consumed off the premises where it is sold, Retailers' Occupation Tax is imposed at the rate of 1%. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

ST 97-0623-GIL 12/31/1997 Where establishments sell both food which has been prepared for immediate consumption and grocery-type items and also provide facilities for on-premises consumption, the lower rate of tax can be charged on the grocery-type items if the selling areas are partitioned and served by separate means of collection. See 86 Ill. Adm. Code 130.310(b)(3). (This is a GIL.)

FOOD, DRUGS & MEDICAL APPLIANCES

ST 97-0619-GIL 12/30/1997 Items that qualify as food, medicines, or medical appliances are subject to the low rate of tax, 1% plus applicable local taxes. Items that do not qualify as food, medicines, or medical appliances are subject to the high rate of tax, 6.25% plus applicable local taxes. 86 Ill. Adm. Code 130.310. (This is a GIL.)

GAS REVENUE TAX

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ST 97-0497-GIL 10/14/1997 Under the Gas Revenue Tax Act, a tax is imposed upon persons engaged in the business of distributing, supplying, furnishing or selling gas to persons for use or consumption and not for resale at the rate of 2.4 cents per therm of all gas which is so distributed, supplied, furnished, sold or transported to or for each customer in the course of such business, or 5% of the gross receipts received from each customer from such business, whichever is the lower rate as applied to each customer for that customer's billing period. See 86 Ill. Adm. Code 470.110. (This is a GIL.)

ST 97-0606-GIL 12/23/1997 House Bill 1149 provides that beginning with charges billed on and after January 1, 1996, any charge for gas or gas services to a customer who acquired contractual rights for the direct purchase of gas or gas services originating from an out-of-State supplier or source on or before March 1, 1995, except for those charges solely related to the local distribution of gas by a public utility, is not subject to the tax imposed by the Gas Revenue Tax Act. See, 86 Ill. Adm. Code 470.171. (This is a GIL.)

GOVERNMENTAL BODIES

ST 97-0585-GIL 11/24/1997 The U. S. State Department, Office of Foreign Missions, issues tax exemption identification cards to accredited foreign diplomatic and consular officials. See 86 Ill. Admin. Code 130.2080(c). (This is a GIL.)

ST 97-0609-GIL 12/30/1997 Sales made to governmental bodies are exempt from Retailers' Occupation Tax. In order to make tax exempt purchases, governmental bodies must have active exemption identification numbers issued by the Department. However, retailers may accept U.S. Government Bank Cards in sales to the U.S. Government and its agencies without requiring an Illinois exemption number. See 86 Ill. Adm. Code 130.2080. (This is a GIL.)

GRAPHIC ARTS

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ST 97-0533-GIL 11/12/1997 The Graphic Arts Machinery and Equipment Exemption extends to machinery and equipment that is used primarily in graphic arts production. Purchasers wishing to claim the exemption must certify to their suppliers that the machinery and equipment will be used primarily for graphic arts production. See 86 Ill. Adm. Code 130.325. (This is a GIL.)

ST 97-0537-GIL 11/13/1997 The Graphic Arts Machinery and Equipment Exemption extends to machinery and equipment that is used primarily (more than 50% of the time) in graphic arts production. See 86 Ill. Adm. Code 130.325. (This is a GIL.)

GROSS RECEIPTS

ST 97-0581-GIL 11/24/1997 This letter discusses sales tax on shipping and handling charges, membership fees and magazines. See 86 Ill. Adm. Code 130.415. (This is a GIL.)

ST 97-0616-GIL 12/30/1997 In computing Retailers' Occupation Tax liability, costs of doing business such as overhead, labor or handling are part of gross receipts subject to tax. See 86 Ill. Adm. Code 130.410. (This is a GIL.)

HOTEL OPERATORS' TAX

ST 97-0023-PLR 11/06/1997 This letter is a ruling regarding applicability of the Hotel Operators' Occupation Tax to a specific fact situation. See 35 ILCS 145/1 et seq. (This is a PLR.)

ST 97-0510-GIL 11/05/1997 The Hotel Operators' Occupation Tax Act provides no exemption for the rental of rooms to units of government. See 86 Ill. Adm. Code 480.101. (This is a GIL.)

ST 97-0516-GIL 11/06/1997 Answers various questions pertaining to the Hotel Operators' Occupation Tax. See 86 Ill. Adm. Code 480.101. (This is a GIL.)

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ST 97-0557-GIL 11/17/1997 The receipts charged by hotels as a result of their provision of in-room movies are generally subject to the Hotel Operators' Occupation Tax Act. See 35 ILCS 145/1 et seq. (This is a GIL.)

INTERSTATE COMMERCE

ST 97-0603-GIL 12/15/1997 Gross receipts are not subject to Retailers' Occupation Tax when the gross receipts are from sales in which sellers are obligated, under the terms of their agreements with the purchasers, to make physical delivery of the property from a point in this State to a point outside this State, not to be returned to this State, provided that such delivery is actually made. See, 86 Ill. Adm. Code 130.605. (This is a GIL.)

INVESTED CAPITAL TAX

ST 97-0617-GIL 12/30/1997 In the case of telecommunication providers, the Invested Capital Tax is imposed upon "persons engaged in the business of transmitting messages and acting as a retailer of telecommunications as defined in Section 2 of the Telecommunications Excise Tax Act." See, 35 ILCS 610/2a.1 (1994 Bar Edition). (This is a GIL.)

LEASING

ST 97-0494-GIL 10/10/1997 A third party trade-in of a vehicle on the purchase of a vehicle by a lessor may not be used in conjunction with an advance trade-in transaction. See, 86 Ill. Adm. Code 130.455(c)(1)(C). (This is a GIL.)

ST 97-0526-GIL 11/12/1997 Under Illinois law, lessors under true lease agreements are deemed the users of items they purchase for rental purposes. Accordingly, lessors incur a Use Tax liability on such purchases. See 86 Ill. Adm. Code 130.2010. (This is a GIL.)

ST 97-0540-GIL 11/13/1997 In Illinois, lessors of tangible personal property under true leases are considered

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to be the end users of the property to be leased. See 86 Ill. Adm. Code 130.220. (This is a GIL.)

ST 97-0587-GIL 11/24/1997 When tangible personal property is sold under installment contracts, the interest or finance charges on account of credit so extended are not considered to be a part of the "selling price" or gross receipts in computing Retailers' Occupation Tax liability. See 86 Ill. Adm. Code 130.420. (This is a GIL.)

ST 97-0608-GIL 12/19/1997 Lessors of tangible personal property under true leases in Illinois, are deemed end users of the property to be leased. See 86 Ill. Adm. Code 130.220. (This is a GIL.)

ST 97-0610-GIL 12/30/1997 Under Illinois law, lessors under true lease agreements are deemed the users of items they purchase for rental purposes. Accordingly, lessors incur a Use Tax liability on such purchases. See 86 Ill. Adm. Code 150.305(e). (This is a GIL.)

LIQUOR TAX

ST 97-0492-GIL 10/07/1997 The Liquor Control Act of 1934 ("Act") imposes a tax upon the privilege of engaging in business as a manufacturer or as an importing distributor of alcoholic liquor. Section 8-10 of the Act details the records which are required to be kept by manufacturers, importing distributors and foreign importers. See, 86 Ill. Adm. Code 420.90. (This is a GIL.)

ST 97-0582-GIL 11/24/1997 One must determine the percentage of alcohol in the alcoholic beverage in order to determine the appropriate tax as the tax is imposed at the rate of 23 cents per gallon for alcoholic liquor, other than beer, containing 14 percent or less of alcohol by volume, 60 cents per gallon for alcoholic liquor containing more than 14 percent and less than 20 percent of alcohol by volume, 7 cents per gallon on beer and \$2.00 per gallon on alcoholic liquor having 20 percent or more of alcohol by volume, manufactured or imported for sale or use. See Section 420.10 (a).

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(This is a GIL.)

LOCAL TAXES

ST 97-0488-GIL 10/01/1997 Section 3 of the Retailers' Occupation Tax Act (35 ILCS 120/3) sets forth the distribution of funds collected under that tax act. Section 8-11-1 of the Illinois Municipal Code (65 ILCS 5/8-11-1) sets forth the distribution of funds collected pursuant to Home Rule Municipal Retailers' Occupation Tax ordinances.

ST 97-0566-GIL 11/19/1997 If purchase orders are accepted outside Illinois but the tangible personal property which is sold is in inventories of retailers located within home rule municipalities at the time of the sales, then delivered in Illinois to the purchasers, places where the property is located at the time of the sales will determine where the sellers are engaged in business for Home Rule Municipal Retailers' Occupation Tax purposes with respect to such sales. See 86 Ill. Adm. Code 270.115(b)(3). (This is a GIL.)

MANUFACTURING MACHINERY & EQUIPMENT

ST 97-0020-PLR 10/03/1997 Computer equipment can qualify for the manufacturing machinery and equipment exemption when the computer equipment is used primarily in operating exempt machinery and equipment in a computer-assisted design, computer-assisted manufacturing (CAD/CAM) system. See, 86 Ill. Adm. Code 130.330. (This is a PLR.)

ST 97-0546-GIL 11/14/1997 Machinery and equipment used primarily in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease are exempt from Retailers' Occupation Tax. See 86 Ill. Adm. Code 130.330. (This is a GIL.)

ST 97-0570-GIL 11/19/1997 The manufacturing machinery and equipment exemption applies to computer equipment that is used primarily in operating exempt

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machinery and equipment in a computer-assisted design, computer-assisted manufacturing (CADAM) system. See 86 Ill. Adm. Code 130.330. (This is a GIL.)

MEDICAL APPLIANCES

ST 97-0555-GIL 11/17/1997 Radiofrequency arthroscopic systems do not directly substitute for a malfunctioning part of the body and therefore do not qualify as medical appliances. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

ST 97-0560-GIL 11/17/1997 A medical appliance as an item which is intended by its manufacturer for use in directly substituting for a malfunctioning part of the body. See 86 Ill. Adm. Code 130.310. (This is a GIL.)

MISCELLANEOUS

ST 97-0490-GIL 10/02/1997 This letter responds to a questionnaire regarding the application of various types of utility taxes in Illinois. (This is a GIL.)

ST 97-0528-GIL 11/12/1997 The NUC-1 new business packet is used to register as a reseller for state tax purposes. (This is a GIL.)

ST 97-0568-GIL 11/19/1997 The Department does not have authority to enter into proposed tax collection and payment agreements. However, taxpayers may be able to take advantage of certain voluntary disclosure provisions. See 86 Ill. Adm. Code 210.126. (This is a GIL.)

ST 97-0584-GIL 11/24/1997 When a retailer of tangible personal property sells an installment contract or 'paper' to a third party, the difference between the selling price of the tangible personal property and the selling price of the installment contract or 'paper' is a cost of doing business and is therefore not deductible in computing Retailers' Occupation Tax liability. See 86 Ill. Adm. Code 130.1960(c)(1). (This is a GIL.)

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ST 97-0593-GIL 11/07/1997 Property which is the subject to annexation agreement with a municipality is treated "...in all respects the same as property that lies within the annexing municipality's corporate limits." See, 65 ILCS 5/11-15.1-2.1(a).

ST 97-0596-GIL 12/01/1997 In general, sales tax reports memorializing transactions utilizing corporate purchasing cards are acceptable to the Department for sales tax reporting purposes so long as all data pertaining to transactions reflected in the sales tax reports are available to the Department for verification purposes. (This is a GIL.)

ST 97-0597-GIL 12/09/1997 This letter discusses the differences between GILs and PLRs. (This is a GIL.)

ST 97-0605-GIL 12/02/1997 In general, sales tax reports memorializing transactions utilizing corporate purchasing cards are acceptable to the Department for sales tax reporting purposes so long as all data pertaining to transactions reflected in the sales tax reports are available to the Department for verification purposes. (This is a GIL.)

MOTOR FUEL TAX

ST 97-0489-GIL 10/01/1997 Section 2a of the Motor Fuel Tax Law was amended by Public Act 89-457 to provide an exemption from tax on sales of aviation fuels and kerosene at certain airports to holders of foreign air carrier permits issued by the United States Department of Transportation, as well as to their air carrier affiliates. In addition, the exemption applies to the importation or receipt of aviation fuels and kerosene at facilities owned or leased by those permit holders and used in their activities at such airports.

NEWSPRINT & INK

ST 97-0486-GIL 10/01/1997 While sellers of books, sheet music, and phonograph records incur Retailers'

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Occupation Tax liability when they sell those items to purchasers for use or consumption and not for resale, sales of newspapers and magazines are not subject to tax. See 86 Ill. Adm. Code 130.2105. (This is a GIL.)

ST 97-0531-GIL 11/12/1997 Sales of newspapers and magazines are not subject to tax. See 86 Ill. Adm. Code 130.2105. (This is a GIL.)

ST 97-0615-GIL 12/30/1997 Sales of magazines and newspapers are not subject to sales tax in Illinois. See 86 Ill. Adm. Code 130.2105. (This is a GIL.)

NEXUS

ST 97-0506-GIL 10/29/1997 The Illinois Compiled Statutes define the term "retailer maintaining a place of business in this State" for Use Tax purposes. See 35 ILCS 105/2 and 86 Ill. Adm. Code 150.201(i). (This is a GIL.)

ST 97-0509-GIL 11/04/1997 A "retailer maintaining a place of business in Illinois", as described in 86 Ill. Adm. Code 150.201(i), is required to register with the State as an Illinois Use Tax collector. See 86 Ill. Adm. Code 150.801. (This is a GIL.)

ST 97-0530-GIL 11/12/1997 The definition of a "retailer maintaining a place of business in Illinois" is described in 86 Ill. Adm. Code 150.201(i). (This is a GIL.)

OCCASIONAL SALE

ST 97-0513-GIL 11/06/1997 Capital assets transferred pursuant to an Internal Revenue Code Section 351 reorganization may qualify for the occasional sales exemption. See 86 Ill. Adm. Code 130.110. (This is a GIL.)

ST 97-0622-GIL 12/31/1997 When persons sell tangible personal property which they are not otherwise engaged in the business of selling, such transactions may be occasional sales not subject to ROT. See 86 Ill. Adm. Code 130.110. (This is a GIL.)

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POLLUTION CONTROL FACILITIES

ST 97-0021-PLR 10/14/1997 The vacuum tank water-fat separation system described, when used for the primary purpose of pollution control, can qualify for the pollution control facilities exemption. However, the truck it is mounted on does not so qualify. See 86 Ill. Adm. Code 130.335. (This is a PLR.)

ST 97-0487-GIL 10/01/1997 Generally, air filters and cleaners that have as their primary function the removal of pollutants from the air can qualify for the pollution control facilities exemption. See 86 Ill. Adm. Code 130.335 (This is a GIL.)

ST 97-0501-GIL 10/15/1997 Equipment which is used for the primary purpose of reducing or eliminating pollution can qualify for the Pollution Control Facilities exemption. Equipment which provides an economic benefit cannot qualify for the exemption. See 86 Ill. Adm. Code 130.335. (This is a GIL.)

ST 97-0508-GIL 11/04/1997 Balers, shredders and other equipment used in recycling operations do not qualify as exempt pursuant to 86 Ill. Adm. Code 130.335. Such equipment does not reduce, prevent, or eliminate air or water pollution or treat or dispose of potentially harmful pollutants. (This is a GIL.)

ST 97-0534-GIL 11/12/1997 Generally, a chemical that is a component part of an integrated process of any system, method, construction, device, or appliance that is primarily intended for any of the purposes listed in Section 130.335 may qualify for the exemption. See 86 Ill. Adm. Code 130.335. (This is a GIL.)

ST 97-0553-GIL 11/17/1997 In general, sewage treatment systems that use a combination of aeration and aerobic bacterial action to treat household wastewater and thereby reduce or eliminate pollutants contained in household wastewater may qualify as pollution control facilities. See 86

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Ill. Adm. Code 130.335. (This is a GIL.)

ST 97-0554-GIL 11/17/1997 Generally, a chemical that is a component part of an integrated process of any system, method, construction, device, or appliance that is primarily intended for any of the purposes listed in Section 130.335 may qualify for the pollution control facilities exemption. See 86 Ill. Adm. Code 130.335. (This is a GIL.)

ST 97-0599-GIL 12/10/1997 Purchasers of Pollution Control Facilities must give their suppliers certifications as set out in 86 Ill. Adm. Code 130.335(a). (This is a GIL.)

ST 97-0612-GIL 12/30/1997 Generally, chemicals that are a component part of an integrated process of any system, method, construction, device, or appliance that is primarily intended for any of the purposes listed in Section 130.335 qualify for the pollution control facilities exemption. See 86 Ill. Adm. Code 130.335. (This is a GIL.)

PRODUCTS OF PHOTOPROCESSING

ST 97-0519-GIL 11/06/1997 Effective September 1, 1988, photographers, film makers, and other servicemen are subject to Retailers' Occupation Tax on the photoprocessing component of their total service charge when they sell products of photoprocessing. See 86 Ill. Adm. Code 130.2000. (This is a GIL.)

REPLACEMENT VEHICLE TAX

ST 97-0564-GIL 11/18/1997 A replacement vehicle tax of \$200.00 is imposed on purchases of passenger cars by insurance companies to replace passenger cars of insured persons in settlement of total loss claims. See 625 ILCS 5/3-2001 et seq. (This is a GIL.)

ROLLING STOCK EXEMPTION

ST 97-0532-GIL 11/12/1997 The rolling stock exemption is available to interstate carriers for hire when

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they purchase tangible personal property for use as rolling stock moving in interstate commerce for hire. Form RUT-7, Rolling Stock Affidavit, may be used to provide the required certification in order to execute the rolling stock exemption. See 86 Ill. Adm. Code 130.340. (This is a GIL.)

SALE AT RETAIL

ST 97-0529-GIL 11/12/1997 The Department has discretion to make collection of Retailers' Occupation Tax upon demand of concessionaires at special exhibitions. See 35 ILCS 120/3. (This is a GIL.)

ST 97-0535-GIL 11/12/1997 The Illinois Retailers' Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property to purchasers for use or consumption. The tax is measured by the seller's gross receipts from such sales made in the course of such business. See 86 Ill. Adm. Code 130.101. (This is a GIL.)

ST 97-0549-GIL 11/14/1997 Illinois tax is incurred when florists give telegraphic instructions to second florists located outside Illinois for delivery of flowers to a point outside Illinois. See, 86 Ill. Adm. Code 130.1965. (This is a GIL.)

ST 97-0552-GIL 11/17/1997 The Retailers' Occupation Tax Act, 35 ILCS 120/1 et seq. (1994 State Bar Edition), imposes a tax upon persons engaged in the business of selling tangible personal property at retail. (This is a GIL.)

ST 97-0572-GIL 11/19/1997 Sales made at a convention or trade show in Illinois are subject to Retailers' Occupation Tax and applicable local taxes. See 86 Ill. Adm. Code 150.201. (This is a GIL.)

ST 97-0586-GIL 11/24/1997 When persons sell tangible personal property produced on special order for customers and that property serves substantially the same function as stock or standard items that are sold at retail, Retailers' Occupation Tax liability is incurred. See 86 Ill. Adm. Code 130.2140. (This

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is a GIL.)

SALE FOR RESALE

ST 97-0022-PLR 11/04/1997 Describes a standard drop-shipment situation. (This is a PLR.)

ST 97-0524-GIL 11/07/1997 Persons or businesses that purchase tangible personal property in Illinois for resale, and not for use or consumption, should provide sellers with Certificates of Resale. See 86 Ill. Adm. Code 130.1405. (This is a GIL.)

ST 97-0542-GIL 11/13/1997 Discusses drop shipments and certificates of resale. See 86 Ill. Adm. Code 130.1405. (This is a GIL.)

ST 97-0562-GIL 11/17/1997 This letter sets forth how a standard drop shipment transaction is treated in Illinois for Retailers' Occupation Tax and Use Tax purposes. See 86 Ill. Adm. Code 130.1405. (This is a GIL.)

ST 97-0601-GIL 12/12/1997 When sales for resale are made, sellers should obtain Certificates of Resale that contain the information required by 86 Ill. Adm. Code 130.1405(b). (This is a GIL.)

SALE OF SERVICE

ST 97-0614-GIL 12/30/1997 Persons who transfer tangible personal property as an incident of sales of service are subject to tax under the Service Occupation Tax Act. See 86 Ill. Adm. Code 140.101. (This is a GIL.)

ST 97-0620-GIL 12/31/1997 Under the Service Occupation Tax Act, servicemen are taxed on their cost price of tangible personal property transferred as an incident of a sale of service. See 86 Ill. Adm. Code 140.101. (This is a GIL.)

SERVICE OCCUPATION TAX

ST 97-0495-GIL 10/10/1997 Under the Service Occupation Tax Act, servicemen are taxed on transfers of tangible

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personal property made incident to sales of service. See 86 Ill. Adm. Code Part 140. (This is a GIL.)

ST 97-0515-GIL 11/06/1997 Under the Service Occupation Tax Act, servicemen are taxed on tangible personal property transferred as an incident to sales of service. See 86 Ill. Adm. Code 140.101. (This is a GIL.)

ST 97-0539-GIL 11/13/1997 Retailers' Occupation Tax and Use Tax do not apply to receipts from sales of personal services. Under the Service Occupation Tax Act, servicemen are taxed on tangible personal property transferred incident to sales of service. See 86 Ill. Adm. Code 140.101. (This is a GIL.)

ST 97-0558-GIL 11/17/1997 Under the Service Occupation Tax Act, servicemen are taxed on tangible personal property transferred incident to sales of service. See 86 Ill. Adm. Code 140.101. (This is a GIL.)

ST 97-0591-GIL 11/26/1997 Under the Service Occupation Tax Act, servicemen are taxed on tangible personal property transferred incident to sales of service. See 86 Ill. Adm. Code 140.101. (This is a GIL.)

ST 97-0613-GIL 12/30/1997 Sales of service in Illinois that include the transfer of tangible personal property are subject to liability under the Service Occupation Tax Act. See 86 Ill. Adm. Code 140.101. (This is a GIL.)

TELECOMMUNICATIONS EXCISE TAX

ST 97-0491-GIL 10/07/1997 Section 2 (a) of the Telecommunications Excise Tax Act states that gross charges means the amount paid for the act or privilege of originating or receiving telecommunications in this State and for all services and equipment provided in connection therewith by a retailer. See, Section 495.100. (This is a GIL.)

ST 97-0493-GIL 10/09/1997 This letter explains the application of the Telecommunications Excise Tax

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to a variety of telecommunications services. See, 495.100. (This is a GIL.)

ST 97-0498-GIL 10/14/1997 The Illinois Telecommunications Excise Tax Act ("Act") is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications by a person in Illinois at the rate of 5% of the gross charges for such telecommunications purchased at retail from a retailer. See, 86 Ill. Adm. Code 495.100. (This is a GIL.)

ST 97-0548-GIL 11/14/1997 The Telecommunications Excise Tax Act imposes a tax upon the act or privilege of originating or receiving intrastate and interstate telecommunications by a person in this State. See, 86 Ill. Adm. Code Part 495. (This is a GIL.)

ST 97-0559-GIL 11/17/1997 Exemptions under the Telecommunications Excise Tax Act are limited to sales to the Federal and State governments, State universities created by statute and sales between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries for their use or consumption and not for resale. See, 86 Ill. Adm. Code 495.105. (This is a GIL.)

ST 97-0563-GIL 11/17/1997 Section 10 of the Telecommunications Excise Tax Act, 35 ILCS 630/10, provides that, "[i]f a retailer who has failed to pay tax on gross charges for telecommunications is required by the Department to pay such tax, such retailer, without filing any formal claim with the Department, shall be allowed to take credit against such tax liability to the extent, if any, to which such retailer has paid the tax to its vendor of the telecommunications which such retailer purchased and used for resale, and no penalty or interest shall be charged to such retailer on the amount of such credit." (This is a GIL.)

ST 97-0565-GIL 11/19/1997 The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois at the rate of 5%

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of the gross charges for such telecommunications purchased at retail from retailers. 35 ILCS 630/3 and 630/4 (1994 State Bar Edition). (This is a GIL.)

ST 97-0571-GIL 11/19/1997 The Telecommunications Excise Tax Act imposes a tax upon the act or privilege of originating or receiving intrastate or interstate telecommunications by a person in this State at the rate of 5% of the gross charges for such telecommunications purchased at retail from a retailer by such person. See 35 ILCS 630/3 (1994 State Bar Edition). (This is a GIL.)

ST 97-0575-GIL 11/19/1997 The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois at the rate of 5% of the gross charges for such telecommunications purchased at retail from retailers. See 86 Ill. Adm. Code Part 495. (This is a GIL.)

ST 97-0579-GIL 11/24/1997 The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois at the rate of 5% of the gross charges for such telecommunications purchased at retail from retailers. Please see 86 Ill. Adm. Code Part 495. (This is a GIL.)

ST 97-0580-GIL 11/24/1997 The Telecommunications Excise Tax Act imposes a tax upon the act or privilege of originating or receiving intrastate and interstate telecommunications by a person in this State. See 86 Ill. Adm. Code 495.100. (This is a GIL.)

ST 97-0588-GIL 11/24/1997 This letter discusses applicability of the Telecommunications Excise Tax to such services as voice mail and chat lines. See 86 Ill. Adm. Code Part 495. (This is a GIL.)

ST 97-0589-GIL 11/25/1997 If retailers provide both transmission and data processing services, the charges for each must be separately disaggregated and identified in the books and records of the retailers". 86 Ill. Adm. Code 495.100. (This is

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a GIL.)

ST 97-0592-GIL 09/05/1997 This letter discusses application of the Telecommunications Excise Tax to various situations. See 35 ILCS 630/1 et seq. (This is a GIL.)

ST 97-0594-GIL 11/24/1997 The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois at the rate of 5% of the gross charges for such telecommunications purchased at retail from retailers. See 86 Ill. Adm. Code Part 495. (This is a GIL.)

ST 97-0607-GIL 12/26/1997 This letter discusses applicability of the Telecommunications Excise Tax to such services as voice mail and chat lines. See, 86 Ill. Adm. Code Part 495. (This is a GIL.)

ST 97-0625-GIL 11/13/1997 This letter discusses several issues regarding taxation of various Internet access services. See 35 ILCS 630/1 et seq. and 86 Ill. Adm. Code 495.100. (This is a GIL.)

TOBACCO PRODUCTS TAX ACT

ST 97-0611-GIL 12/30/1997 This letter provides guidance on the manner in which to calculate the wholesale price for promotional tobacco products which can be sold only in larger, pre-packaged units. See, 86 Ill. Adm. Code 660.106. (This is a GIL.)

TRADE-INS

ST 97-0505-GIL 10/27/1997 Lessees renting cars pursuant to true leases cannot trade in the residual value of the lease on a new car. To obtain a trade-in credit under Illinois law purchasers must trade in tangible personal property of like kind and character. See 86 Ill. Adm. Code 130.455. (This is a GIL.)

USE TAX

ST 97-0507-GIL 11/04/1997 The interim use exemption is

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available to persons primarily engaged in selling tangible personal property when such persons lease property that is carried on their books as inventory or is otherwise available for sale during the lease period. See 86 Ill. Adm. Code 150.306. (This is a GIL.)

ST 97-0521-GIL 11/06/1997 The Use Tax Act (35 ILCS 105/1 et seq.) requires that persons pay the Use Tax on tangible personal property which they use in Illinois. See 86 Ill. Adm. Code 150.101. (This is a GIL.)

ST 97-0543-GIL 11/13/1997 When purchase orders are not accepted in Illinois, nor is the property located in an inventory maintained by the retailer in Illinois at the time of sale or subsequently produced in a local taxing jurisdiction, the transactions will not be subject to Home Rule tax. The transactions will, however, be subject to Illinois Use Tax, which sellers having a physical presence in this State must collect and remit. See 35 Ill. Adm. Code 150.210. (This is a GIL.)

ST 97-0573-GIL 11/19/1997 The Use Tax does not apply to the use, in this State, of tangible personal property which is acquired outside this State by a nonresident individual who then brings the property to this State for use here, and who shall have used the property outside this State for at least 3 months before bringing the property to this State. The exemption is not applicable if the 3-month requirement is not met. See 86 Ill. Adm. Code 150.315. (This is a GIL.)

ST 97-0598-GIL 12/10/1997 The interim use exemption is available to retailers when leaving property that is carried on their books as inventory or is otherwise available for sale during the lease period. See 86 Ill. Adm. Code 150.306. (This is a GIL.)

ST 97-0624-GIL 12/31/1997 Persons who transfer tangible personal property incident to providing service under maintenance agreements are acting as servicemen and incur Use Tax liability based on

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their cost price of tangible personal property transferred incident to the completion of the maintenance agreements. See 86 Ill. Adm. Code Sec. 140.301(3)(b). (This is a GIL.)

VEHICLE USE TAX

ST 97-0544-GIL 11/13/1997 Article X of the Illinois Vehicle Code imposes a tax on the privilege of using a motor vehicle in this State that is acquired by gift, transfer, or purchase. 625 ILCS 5/3-1001 (1994 State Bar Edition) (This is a GIL.)

JOINT COMMITTEE ON ADMINISTRATIVE RULES

STRATTON OFFICE BUILDING
ROOM D-1
SPRINGFIELD, ILLINOIS
2:00 P.M.

FEBRUARY 17, 1998

NOTICES: Due to Register submittal deadlines, the Agenda below may be incomplete. Other items not contained in this published Agenda are likely to be considered by the Committee at the meeting.

It is the policy of the Committee to allow only representatives of State agencies to testify orally on any rule under consideration at Committee hearings. If members of the public wish to express their views with respect to a proposed rule, they should submit written comments to the Office of the Joint Committee on Administrative Rules at the following address:

Joint Committee on Administrative Rules
700 Stratton Office Building
Springfield, Illinois 62706

RULEMAKINGS SCHEDULED FOR JCAR REVIEW

The following rulemakings are scheduled for review at this meeting. JCAR staff may be proposing action with respect to some of these rulemakings. JCAR members may have questions concerning, and may initiate action with respect to, any item scheduled for JCAR review and any other issues within the Committee's purview.

PROPOSED RULEMAKINGS

Central Management Services

1. Pay Plan (80 Ill Adm Code 310)
 - Notice Published: 21 Ill Reg 14648 - 11/14/97
 - Expiration of Second Notice: 3/8/98

Commerce Commission

2. Uniform System of Accounts for Electric Utilities (83 Ill Adm Code 415)
 - First Notice Published: 21 Ill Reg 9926 - 8/1/97
 - Expiration of Second Notice: 2/25/98

Environmental Protection Agency

3. Regulatory Innovation Projects (35 Ill Adm Code 185)
 - First Notice Published: 21 Ill Reg 13224 - 10/3/97
 - Expiration of Second Notice: 3/14/98

4. Procedures for Collection of Air Pollution Site Fees (35 Ill Adm Code 251)
 - First Notice Published: 21 Ill Reg 8759 - 7/11/97

JOINT COMMITTEE ON ADMINISTRATIVE RULES

STRATTON OFFICE BUILDING

ROOM D-1

SPRINGFIELD, ILLINOIS

2:00 P.M.

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-Expiration of Second Notice: 3/11/98

5. Procedures for Determining Water Quality Based Permit Limitations for National Pollutant Discharge Elimination System Dischargers to the Lake Michigan Basin (35 Ill Adm Code 352)

-First Notice Published: 21 Ill Reg 13416 - 10/10/97

-Expiration of Second Notice: 3/7/98

Human Services

6. Food Stamps (89 Ill Adm Code 121)

-First Notice Published: 21 Ill Reg 5410 - 5/2/97

-Expiration of Second Notice: 3/5/98

7. Illinois Long-Term Care Partnership Demonstration Program (89 Ill Adm Code 688)

-First Notice Published: 21 Ill Reg 2945 - 3/7/97

-Expiration of Second Notice: 3/11/98

8. Subacute Alcoholism and Substance Abuse Treatment Program (77 Ill Adm Code 2090)

-First Notice Published: 21 Ill Reg 13993 - 10/24/97

-Expiration of Second Notice: 2/20/98

Insurance

9. Repeal of Cost Containment Form and Data Reporting Requirements (50 Ill Adm Code 4202)

-First Notice Published: 21 Ill Reg 12889 - 9/26/97

-Expiration of Second Notice: 3/1/98

10. Insurance Cost Containment Data and Reporting Requirements (50 Ill Adm Code 4203)

-First Notice Published: 21 Ill Reg 12944 - 9/26/97

-Expiration of Second Notice: 3/1/98

Natural Resources

11. Illinois Bicycle Path Grant Program (17 Ill Adm Code 3040)

-First Notice Published: 21 Ill Reg 15995 - 12/12/97

-Expiration of Second Notice: 3/13/98

Nuclear Safety

JOINT COMMITTEE ON ADMINISTRATIVE RULES

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12. Use of X-Rays in the Healing Arts Including Medical, Dental, Podiatry, and Veterinary Medicine (32 Ill Adm Code 360)

-First Notice Published: 21 Ill Reg 14423 - 11/7/97

-Expiration of Second Notice: 3/5/98

13. Certification and Operation of Radiochemistry Laboratories (32 Ill Adm Code 406)

-First Notice Published: 21 Ill Reg 14705 - 11/21/97

-Expiration of Second Notice: 3/14/98

Pollution Control Board

14. Major Stationary Sources Construction and Modification (35 Ill Adm Code 203)

-First Notice Published: 21 Ill Reg 12823 - 9/19/97

-Expiration of Second Notice: 2/25/98

Professional Regulation

15. Medical Practice Act of 1987 (68 Ill Adm Code 1285)

-First Notice Published: 21 Ill Reg 15088 - 12/1/97

-Expiration of Second Notice: 3/5/98

Public Aid

16. Medical Payment (89 Ill Adm Code 140)

-First Notice Published: 21 Ill Reg 13757 - 10/17/97

-Expiration of Second Notice: 2/26/98

17. Specialized Health Care Delivery Systems (89 Ill Adm Code 146)

-First Notice Published: 21 Ill Reg 13760 - 10/17/97

-Expiration of Second Notice: 2/26/98

Public Health

18. Hospital Licensing Requirements (77 Ill Adm Code 250)

-First Notice Published: 21 Ill Reg 13264 - 10/3/97

-Expiration of Second Notice Period: 3/15/98

19. Repeal of Hospice Programs (77 Ill Adm Code 280)

-First Notice Published: 21 Ill Reg 11433 - 8/15/97

-Expiration of Second Notice: 3/14/98

20. Hospice Programs (77 Ill Adm Code 280)

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- First Notice Published: 21 Ill Reg 11453 - 8/15/97
-Expiration of Second Notice: 3/14/98

21. Testing of Breath, Blood and Urine for Alcohol and/or Other Drugs (77 Ill Adm Code 510)
-First Notice Published: 21 Ill Reg 13279 - 10/3/97
-Expiration of Second Notice Period: 3/15/98

Racing Board

22. Jockeys, Apprentices, Jockey Agents, and Valets (11 Ill Adm Code 1411)
-First Notice Published: 21 Ill Reg 15442 - 12/5/97
-Expiration of Second Notice: 3/14/98

Secretary of State

23. Cancellation, Revocation or Suspension of Licenses or Permits (92 Ill Adm Code 1040)
-First Notice Published: 21 Ill Reg 13285 - 10/3/97
-Expiration of Second Notice: 3/12/98

State Police

24. Illinois Uniform Conviction Information Act (20 Ill Adm Code 1215)
-First Notice Published: 21 Ill Reg 5464 - 5/2/97
-Expiration of Second Notice: 2/25/98

State Police Merit Board

25. Procedures for the Department of State Police Merit Board (80 Ill Adm Code 150)
-First Notice Published: 21 Ill Reg 15448 - 12/5/97
-Expiration of Second Notice: 3/6/98

Transportation

26. Rulemaking Procedures (92 Ill Adm Code 102)
-First Notice Published: 21 Ill Reg 14929 - 11/21/97
-Expiration of Second Notice: 3/5/98

27. Procedures (92 Ill Adm Code 107)

- First Notice Published: 21 Ill Reg 14923 - 11/21/97
-Expiration of Second Notice: 3/5/98

JOINT COMMITTEE ON ADMINISTRATIVE RULES

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28. General Information, Regulations and Definitions (92 Ill Adm Code 171)
-First Notice Published: 21 Ill Reg 14909 - 11/21/97
-Expiration of Second Notice: 3/5/98

29. Hazardous Materials Table and Hazardous Materials Communications (92 Ill Adm Code 172)
-First Notice Published: 21 Ill Reg 14918 - 11/21/97
-Expiration of Second Notice: 3/5/98

30. Shippers General Requirements for Shipments and Packagings (92 Ill Adm Code 173)
-First Notice Published: 21 Ill Reg 14933 - 11/21/97
-Expiration of Second Notice: 3/5/98

31. Carriage by Public Highway (92 Ill Adm Code 177)
-Notice Published: 21 Ill Reg 14900 - 11/21/97
-Expiration of Second Notice: 3/5/98

32. Specifications for Packagings (92 Ill Adm Code 178)
-Notice Published: 21 Ill Reg 14940 - 11/21/97
-Expiration of Second Notice: 3/5/98

33. Specifications for Tank Cars (92 Ill Adm Code 179)
-First Notice Published: 21 Ill Reg 14950 - 11/21/97
-Expiration of Second Notice: 3/5/98

34. Continuing Qualification and Maintenance of Packaging (92 Ill Adm Code 180)
-First Notice Published: 21 Ill Reg 14905 - 11/21/97
-Expiration of Second Notice: 3/5/98

EMERGENCY AND PEREMPTORY RULEMAKINGSAgriculture

35. Payment of Eligible Claims of Soil and Water Conservation District Employees Unpaid by Mid-Continent Medical Benefit Trust (8 Ill Adm Code 755) (Emergency)
-Notice Published: 22 Ill Reg 2889 - 1/23/98

Capital Development Board

36. Standards for Award of Grants Elementary and Secondary Schools Capital Assistance Program (71 Ill Adm Code 40) (Emergency)

JOINT COMMITTEE ON ADMINISTRATIVE RULES

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-Notice Published: 22 Ill Reg 2597 - 1/30/98

Central Management Services

37. Pay Plan (80 Ill Adm Code 180) (Peremptory)
-Notice Published: 22 Ill Reg 1593 - 1/9/98

Commerce Commission

38. Accounting for Non-Public Utility Business of Electric Utilities (83 Ill Adm Code 416) (Emergency)
-Notice Published: 22 Ill Reg 2318 - 1/23/98

39. Accounting for Non-Public Utility Business of Gas Utilities (83 Ill Adm Code 506) (Emergency)
-Notice Published: 22 Ill Reg 2323 - 1/23/98

Commerce and Community Affairs

40. Welfare-To-Work Block Grant Program (56 Ill Adm Code 2665) (Emergency)
-Notice Published: 22 Ill Reg 2612 - 1/30/98

Criminal Justice Information Authority

41. Fees for Processing Requests for Conviction Information (20 Ill Adm Code 1570) (Emergency)
-Notice Published: 22 Ill Reg 975 - 1/2/98

Education

42. School Construction Program (23 Ill Adm Code 151) (Emergency)
-Notice Published: 22 Ill Reg 2616 - 1/30/98

43. Charter Schools (23 Ill Adm Code 650) (Emergency)
-Notice Published: 22 Ill Reg 1479 - 1/9/98

Financial Institutions

44. Consumer Installment Loan Act (38 Ill Adm Code 110) (Emergency)
-Notice Published: 22 Ill Reg 1485 - 1/9/98

45. Financial Planning and Management Service Act (38 Ill Adm Code 140) (Emergency)
-Notice Published: 22 Ill Reg 1528 - 1/9/98

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46. Sales Finance Agency Act (38 Ill Adm Code 160) (Emergency)
-Notice Published: 22 Ill Reg 1543 - 1/9/98

Gaming Board

47. Riverboat Gambling (86 Ill Adm Code 3000) (Emergency)
-Notice Published: 22 Ill Reg 978 - 1/2/98

Human Services

48. Food Stamps (89 Ill Adm Code 121) (Emergency)
-Notice Published: 22 Ill Reg 1954 - 1/16/98

49. Determination of Need (DON) and Resulting Service Cost Maximums (SCMS) (89 Ill Adm Code 679) (Emergency)
-Notice Published: 22 Ill Reg 2328 - 1/23/98

Natural Resources

50. The Illinois Oil and Gas Act (62 Ill Adm Code 240) (Emergency)
-Notice Published: 22 Ill Reg 988 - 1/2/98

Nuclear Safety

51. Licensing of Radon Detection and Mitigation Services (32 Ill Adm Code 422) (Emergency)
-Notice Published: 22 Ill Reg 1568 - 1/9/98

Professional Regulation

52. Illinois Dental Practice Act (68 Ill Adm Code 1220) (Emergency)
-Notice Published: 22 Ill Reg 2332 - 1/23/98

Public Aid

53. Medical Assistance Programs (89 Ill Adm Code 120) (Emergency)
-Notice Published: 22 Ill Reg 1576 - 1/9/98

Public Health

54. Illinois Mobile Home Tie-down Code (77 Ill Adm Code 870) (Emergency)
-Notice Published: 22 Ill Reg 2626 - 1/30/98

Revenue

JOINT COMMITTEE ON ADMINISTRATIVE RULES

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55. Energy Assistance Charge (86 Ill Adm Code 516) (Emergency)
-Notice Published: 22 Ill Reg 1006 - 1/2/98

EXEMPT RULEMAKINGSPollution Control Board

56. Hazardous Waste Injection Restrictions (35 Ill Adm Code 738)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

57. Hazardous Waste Management System: General (35 Ill Adm Code 720)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

58. Identification and Listing of Hazardous Waste (35 Ill Adm Code 721)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

59. Interim Status Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities (35 Ill Adm Code 725)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

60. Land Disposal Restrictions (35 Ill Adm Code 728)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

61. RCRA and UIC Permit Programs (35 Ill Adm Code 702)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

62. RCRA Permit Program (35 Ill Adm Code 703)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

63. Standards Applicable to Transporters of Hazardous Waste (35 Ill Adm Code 723)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

64. Standards Applicable to Generators of Hazardous Waste (35 Ill Adm Code 722)

-Proposed Date: 8/8/97

JOINT COMMITTEE ON ADMINISTRATIVE RULES

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FEBRUARY 17, 1998

-Adopted Date: 1/2/98

65. Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities (35 Ill Adm Code 724)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

66. Standards for the Management of Specific Hazardous Waste and Specific Types of Hazardous Waste Management Facilities (35 Ill Adm Code 726)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

67. Standards for the Management of Used Oil (35 Ill Adm Code 739)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

68. Standards for Universal Waste Management (35 Ill Adm Code 733)

-Proposed Date: 8/8/97
-Adopted Date: 1/2/98

EXPEDITED CORRECTIONInsurance

69. Preferred Provider Program Administrators (50 Ill Adm Code 2051)

AGENCY RESPONSEPollution Control Board

70. Water Quality Standards (35 Ill Adm Code 302)

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received by the Joint Committee on Administrative Rules during the period of January 27, 1998 through February 2, 1998 and have been scheduled for review by the Committee at its February 17, 1998 meeting in Springfield. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rule should submit written comments to the Committee at The following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

Second Notice Expires	Agency and Rule	Start of First Notice	JCAR Meeting
3/12/98	Secretary of State, Cancellation, Revocation or Suspension of Licenses or Permits (92 Ill Adm Code 1040)	10/3/97 21 Ill Reg 13285	2/17/98
3/13/98	Department of Natural Resources, Illinois Bicycle Path Grant Program (17 Ill Adm Code 3040)	12/12/97 21 Ill Reg 15995	2/17/98
3/14/98	Department of Public Health, Repeal of Hospice Programs (77 Ill Adm Code 280)	8/15/97 21 Ill Reg 11433	2/17/98
3/14/98	Department of Public Health, Hospice Programs (77 Ill Adm Code 280)	8/15/97 21 Ill Reg 11453	2/17/98
3/14/98	Department of Nuclear Safety, Certification and Operation of Radiochemistry Laboratories (32 Ill Adm Code 406)	11/21/97 21 Ill Reg 14705	2/17/98
3/14/98	Illinois Racing Board, Jockeys, Apprentices, Jockey Agents, and Valets (11 Ill Adm Code 1411)	12/5/97 21 Ill Reg 15442	2/17/98
3/14/98	Environmental Protection Agency, Regulatory Innovation Projects (35 Ill Adm Code 185)	10/3/97 21 Ill Reg 13224	2/17/98
3/15/98	Department of Public Health, Hospital Licensing Requirements (77 Ill Adm Code 250)	10/3/97 21 Ill Reg 13264	2/17/98

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

Second Notice Expires	Agency and Rule	Start of First Notice	JCAR Meeting
3/15/98	Department of Public Health, Testing of Breath, Blood and Urine for Alcohol and/or Other Drugs (77 Ill Adm Code 510)	10/3/97 21 Ill Reg 13279	2/17/98

Rules acted upon during the quarter of January 1 through March 31, 1998 (Issues 1-13) are listed in the Issues Index by Title number, Part number and Issue number. For example, 50 Ill. Adm. Code 4401 published in Issue 40 will be listed as 50-4401-40. The letter "R" designates a rule that is being repealed. Inquiries about the Issues Index may be directed to the Administrative Code Division at 217-782-4414 or jnatale@cegate.sos.state.il.us (Internet address).

PROPOSED

38-110-7
38-140-7
2-651-2
8-755-4
38-160-7
38-390R-1
11-1318-2
11-1770-3
50-4415-5
50-4435-6
14-135-6
14-180-2
14-180-2
14-500-2
14-500-2
62-240-4,5
17-650-6
68-1220-4
17-710-4
17-660-6
17-670-6
17-1536-6
74-730-2
20-1570-1
23-50-2
23-50-2
23-150R-5
23-151-5
23-650-7
23-2700-6
23-2720-6
23-2730-6
23-2733-6
23-2735-6
23-2736-6
23-2736-6
23-2755-6
23-2760-6
23-2761-6
23-2763-6
23-2764-6
23-2764-6
23-2765-6
23-2771-6
23-2790-6
32-331-3
32-420R-7
32-422-7
32-610R-3
32-443-6
35-183R-1
35-190R-2
35-195R-2
35-218-2
35-240-6
35-304-7

EMERGENCY

8-755-4
11-1770-3
20-1570-1
23-151-5
23-650-2
32-422-2
38-110-2
38-140-2
38-160-2
56-2665-5
62-240-1
68-1220-4
68-1252-7

ADOPTED

2-926-2
8-600-2

71-40-5
77-672-6
77-870-5
83-416-4
83-506-4
86-516-1
86-517-6
86-3000-1
89-120-2
89-121-3
89-679-4

PEREMPTORY

8-125-7
80-310-2

177 School Lane

MEMORANDUM

TO: DIRECTOR, FBI
FROM: SAC, NEW YORK
SUBJECT: [Illegible]

RE: [Illegible]

DATE: [Illegible]

BY: [Illegible]

FOR: [Illegible]

RE: [Illegible]

DATE: [Illegible]

BY: [Illegible]

FOR: [Illegible]

RE: [Illegible]

DATE: [Illegible]

BY: [Illegible]